Daily Report

Latin America

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FBIS-LAT-94-043 *4 March 1994*

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Cuba

Castro Examines Precautionary Flood Measures

FL0303145794 Havana Radio Progreso Network in Spanish 1200 GMT 3 Mar 94

[Text] Live, from the Civil Defense command post in Plaza [de la Revolucion] Municipality, we received news of the tour made last night by President Fidel Castro, which lasted into the wee hours of this morning, as well as about the news conference held there. From Edelberto Garcia, at the command post, we have a report:

[Garcia] Good morning, "First Thing in the Morning" listeners.

In the wee hours this morning, Commander in Chief Fidel Castro visited the command post of the Defense Council of Plaza de la Revolucion Municipality, which was activated yesterday in view of possible imminent storm surges along this part of the Havana coastline. So far, however, there have been only slight surges.

Fidel arrived at this coordinating point for the municipality—which is located at the headquarters of the Communist Party of Cuba [PCC]—at 0220 and quickly asked how penetration by the sea might affect the area. This is the second threat of storm surges so far this year.

(Eduardo Tejera), PCC first secretary in Plaza de la Revolucion Municipality, briefed the leader of the Revolution on the measures that have been taken, which include the moving of all foodstuffs from gastronomic and commercial centers, the cleaning of storm drains, and the evacuation of 50 percent of the tourists lodged at the Habana Riviera Hotel.

Fidel explained that he had visited the Riviera [Hotel] area and had been able to see the measures that had been taken, as well as the retaining wall built recently in front of the hotel to reduce the effect of the waves. In this connection, he explained the importance of providing protective mechanisms for any new hotels that may be built in these areas because everything seems to indicate that, as a result of several phenomena, these surges will tend to increase.

Fidel pointed out: We have already had two threats this year; and this one is still not over, because there will be another high tide at noon today and with it returns the threat of possible flooding in low-lying areas of five municipalities in this capital.

The commander in chief had a long and pleasant talk with reporters until after 0330. Fidel insisted—and I wish to stress this to our listeners—on his concern that the population remain attentive to the reports issued by the weather institute in the next few hours. By the way, there will be a meeting at approximately 0700 today at the headquarters of this city's provincial government to take specific measures in this connection.

This has been Edelberto Garcia, reporting from the command post of the Defense Council of Plaza de la Revolucion Municipality for "First Thing in the Morning."

Robaina Announces Conference Invitation, Asian Tour

FL0303145994 Havana Radio Reloj Network in Spanish 1200 GMT 3 Mar 94

[Text] Approximately 200 delegates from 17 countries will participate in the conference entitled "the Nation and Emigration" scheduled for the last 15 days of April in Havana. This has been announced by Foreign Minister Roberto Robaina, who also announced that 14 Nobel Prize winners will be invited soon, as will a group of U.S. Congressmen, so that they can learn about the national reality firsthand.

Robaina also confirmed that he will be leaving for Asia tomorrow [4 March] on a tour of several countries.

In connection with the meeting called "the Nation and Emigration," the foreign minister observed that it will allow everyone to talk in a respectful and civilized way about subjects of mutual interest.

Robaina spoke at the 17th seminar improvement seminar for national higher education leaders that was held in the capital.

Finance Minister Views Change in 'Economic Mentality'

PA0303140494 Madrid EFE in Spanish 2316 GMT 2 Mar 94

[Text] Havana, 2 Mar (EFE)—Cuban Finance Minister Jose Luis Rodriguez said today people should not talk about economic recovery yet, rather, that it is a year during which we will change our economic mentality, because "we have gone from an economic certitude to the management of uncertainty."

At a conference for Higher Education Ministry officials, Rodriguez said Cuba has an ample level of certitude on imports, exports, and other resources, in addition to its economic planning system. He estimated that the changes introduced in the Cuban economy can be slow according to the people's needs but not according to the possibilities of the island.

Among the economic measures implemented since last August, Rodriguez mentioned the depenalization of the dollar, the opening to foreign investments, and the increase of tasks authorized for self-employment.

The Cuban finance minister said 1994 will be better than 1993 for Cuba from the economic standpoint, "as it will break the violent economic fall suffered from 1989 to 1993."

He based his assertion on the possibilities of having a cheaper sugarcane harvest, the recovery of sugar and nickel prices—two of the country's main economic sectors—and getting tourism to grow 25 percent.

Other factors that will mark this year in the Cuba economy, according to the specialist, will be the substitution of

imports, the discovery of new oil deposits, the recovery of fuel, and an increase—although not an extraordinary one—in agricultural production.

Gaviria Reiterates Intention To Sell Cubans Oil

FL0303172394 Havana Radio Rebelde Network in Spanish 1800 GMT 2 Mar 94

[Text] Colombian President Cesar Gaviria has stated in Tokyo that the sale of Colombian oil to Cuba is rooted in strictly commercial grounds. Gaviria pointed out that Colombia feels entirely free to continue trading with Cuba and will in fact do so, since such is the treatment any country in the world deserves.

Colombia announced last week that it will begin selling between 15,000 and 20,000 barrels of oil a day to Cuba as of mid-1994.

UN Diplomat Circulates 'Secret' U.S. Document

FL0403022994 Havana Radio Rebelde Network in Spanish 1800 GMT 3 Mar 94

[Text] In Geneva, Cuba distributed a secret document dictated by the U.S. Interests Section in Havana. The report shows the dishonesty of the allegations made by the so-called human rights organizations on the island. Signed by Joseph Gerald Sullivan, the head of the U.S. Interests Section, the report points out that in the cases presented by the heads of those groups, the subjects are incapable of proving that they have been or are victims of persecution or violations.

The text was addressed to the State Department, the Central Intelligence Agency, and the Immigration and Naturalization Service, and was circulated in Geneva while Cuban Ambassador Jose Perez Novoa responded to the report presented by (Carl Johann Gros), the special rapporteur of the UN Human Rights Commission assigned to Cuba.

The official text of the U.S. mission recognizes that the number of political prisoners is very small and that once they are freed, they are not persecuted, discriminated against, or mistreated. Most of them request visas at the U.S. Interests Section to escape Cuba's economic situation, not out of fear. Furthermore, the document points out that many of the members of those groups take that path as the most opportune way to emigrate toward the United States with that country's official backing.

The document, signed by the head of the U.S. Interests Section, describes the differences between groups and the need to work harder to identify those who, as demonstrated by their nature, would be most useful in serving the objectives of the United States.

Dissident Movement Spokesperson Says Activist Beaten

PA0303141594 Madrid EFE in Spanish 2052 GMT 2 Mar 94

[Text] Havana, 2 Mar (EFE)—A spokesperson for the Cuban dissident movement reported today Sebastian Arcos, a human rights activist, was "brutally beaten." The incident occurred last 28 February by a group of common criminals serving time at Cienfuegos Prison, where Arcos is being held.

Jesus Yanez Pelletier said the attack occurred when the group of criminals tried to take a package of food Arcos had tied to his arm while he slept. "Sebastian awoke," he said, "and they beat him."

According to Yanez Pelletier, the authorities have kept Arcos in solitary confinement since the incident. His relatives in Cienfuegos have been unable to see him.

The spokesperson, a member of the Cuban Human Rights Committee [CCPDH], said he was advised of the incident from a source inside the penitentiary. Sebastian Arcos is a vice president of the CCPDH, and his brother, Gustavo, is president.

Yanez Pelletier held "the government" responsible for the attack, and reported it to the Spanish Embassy in Havana. Diplomatic sources have confirmed receiving the report.

Sebastian Arcos, 63, was sentenced to four years and eight months in prison in 1992 for the crime of "enemy propaganda activities." He was accused of dispersing false reports about alleged murders, disappearances, and torture.

The two brothers, Sebastian and Gustavo, each served a two-year sentence during the Fulgencio Batista dictatorship. They were again imprisoned for "trying to leave the country illegally" in 1981.

Spanish authorities have repeatedly requested Sebastian Arcos' release. Cuba will only allow his freedom if he goes straight from prison to the airport and then on to Madrid.

According to sources within the group, Arcos refuses to leave the country.

Counterrevolutionary Group Threatens Pastors for Peace

PA0303145494 Havana Radio Havana Cuba in Spanish 1300 GMT 3 Mar 94

[From the "Morning Information Review" newscast]

[Text] Alpha 66, the Miami-based counterrevolutionary group, has threatened to carry out terrorist actions against the group Pastors for Peace, which has organized the Cuba-U.S. Friendship Caravan, if the group continues to travel through U.S. cities.

In a letter sent to that ecumenical organization, the terrorists say any person who visits Cuba, holds talks, or supports its authorities directly or indirectly will be declared a military target, regardless of his nationality or nature [as heard] and will suffer the consequences inside or outside of Cuba.

Referring to the warnings by the U.S. Government to those individuals or groups preparing terrorist actions against

third countries from within U.S. territories, Alpha 66's letter adds it will stop at nothing and will confront the consequences.

Meanwhile, the coordinators of the Friendship Caravan have reported the caravan of 70 vehicles traveling through 140 U.S. cities continues to advance satisfactorily. During the travels group leaders give lectures, visit churches, and collect donations. According to plans, the volunteers will reach Laredo, Texas, on 6 March, and three days later they will cross the border into Mexico; they will then take the goods to a ship that will sail to Cuba from the Port of Tampico.

Villa Clara Mill Workers Call for Efficiency, Rigor

FL0303194294 Havana Radio Progreso Network in Spanish 1200 GMT 3 Mar 94

[Text] During a Parliament in the Workplace held at the industrial area of the Efrain Alfonso Agroindustrial Complex [CAI] in Ranchuelo Municipality, Villa Clara Province, the workers came out in favor of stable and high grinding, a decisive factor for economic efficiency. The event was chaired by Pedro Ross Leal, secretary general of the Cuban Workers Federation. It was reported that one of the factors affecting efficiency is the high rate, 37 percent, of foreign matter in the cane supplied by the Osvaldo Herrera facility. The cane sometimes has rocks, chaff, and sprouts in it, which interfere with a good grinding rate when the process has to be stopped to eliminate them.

[Begin unidentified speaker recording] Analyzing the economic problems at our factory, as the comrades rightly said: This is a serious one—because, aside from stable grinding, in order for a mill to be efficient and seek to economize, the other thing that must be kept in mind is the quality of the raw material. We cannot make sugar without quality raw material, cannot make it of good quality, and that (?affects) efficiency.

This is the problem of the quality of the raw material that has been confronted here in Cuba for years—more so in some years than in others. This year, at this mill, that has been significant, because the truth is that the raw material has come from that collection center in very poor condition in terms of the amount of foreign materials.

It is true that the management here and the union and the party have met many times. They have held municipal meetings, provincial level meetings, and every possible meeting.

Now, (?what should we do)? If we want to repair the economy and be economical and move ahead, after you discuss the same problem twice with the same comrades, you need to take measures: Hello, comrade, I am not going to discuss this with you today; that amount of foreign matter must be reduced. I will come back tomorrow to discuss it. Perhaps they may discuss it a third time, but the fourth time we have to take urgent measures: Well, buddy, I am sending the cane back. I am returning it. Clean it up and when you bring it here clean, I will grind it. Why? Because then, we begin to argue that the (?raw material) is bad but no measures are taken. Thus, those comrades believe that things will always go that way, that people will just talk, and then this is what happens.

I think that in order to be efficient, aside from any discussions there may be, concrete measures must be taken with the comrades who are committing the violations; otherwise they become habitual. A time comes when they get used to the [word indistinct], to hearing us, or whatever comrades go there, say to them: That is not right. However, since they know things are not going to go any further, they know that...[rephrases] perhaps they have become accustomed to the idea that no measures are going to be taken, so they continue doing it and we continue receiving it. We reach a point where, by having accepted it from them, and by [word indistinct] we are committing the same mistake, the same sin against the economy. [end recording]

At the workers assembly held at the Efrain Alfonso CAI, Pedro Ross Leal expressed interest in the situation at the complex as regards outstanding accounts from other organizations; he explained the significance of not complying with this indicator, and its significance to the national economy. The workers also advocated the expeditious arrival of cane to the mill, which at times takes over 36 hours. This reduces its quality and results in less sugar.

Strong statements were made about the causes, consequences, and possible measures to be taken to solve the national financial imbalance. Debate focused on the all-out war against the black market, the lack of control, and the pilfering of resources from state organizations.

Likewise, the workers supported the confiscation of goods attained illegally, and deregulating and increasing prices of nonessential products, among other issues which will help to streamline national finances.

Biotechnology Firm Produces International Directory

FL0303205194 Havana Radio Progreso Network in Spanish 1200 GMT 2 Mar 94

[Report by Eduardo Gonzalez]

[Text] [Gonzalez] Greetings. I just heard a great phrase: [When it comes] to research, information is more important than labs. It is impossible to do research, no matter how many labs, without information.

We are going to speak about information with engineer Carlos Guerrero from the Biotechnology and Medical-Pharmaceutical Industry Information and Consultation Center [Centro de Informacion and Consultoria para la Biotecnologia y la Industria Medico-farmaceutica], popularly known as Biotech.

[Guerrero] Biotech's goal is to provide logistic support to every center and institution in the western scientific hub. The support takes two main forms. The first is the preparation of directories. For example, we created the Biotech International Directory which has over 7,000 entries and includes 120 countries—it lists the most important companies in this sector in the world. It is available in printed

form and on compact disk, CD-ROM. It is undoubtedly one of the best directories in the world on this subject. We also have other directories such as the one on Cuban biological sciences, which lists all the institutions working in biotechnology and the medical-pharmaceutical industry in Cuba.

Another important Biotech line of work is analysis reports. We prepare market reports, company profiles, product performance, studies on issues such as cancer, optic diseases, or others requested by our customers. We have another very important product: The Biotech Guide for Export to Cuba. It includes all the customs and noncustoms regulations, as well as technical regulations for exporting biotechnology and medical and pharmaceutical products to Cuba.

The information services Biotech provides to researchers are also important. We have over 50 data bases available to researchers. These include commercial and specialized information for consultation at our libraries and center.

[Gonzalez] Are these Biotech services also available to foreign companies or enterprises?

[Guerrero] Of course. It is not that we put our services on the market, but that we have important customers abroad who use our services.

Dominican Republic

Students Clash With Police; 7 Injured

PA0403002394 Mexico City NOTIMEX in Spanish 2357 GMT 3 Mar 94

[Text] Santo Domingo, 3 Mar (NOTIMEX)—Today, authorities reported that university students threw rocks at police during a demonstration against academic reforms, and as a result, seven youths were injured. The police reported that during the demonstration some 2,000 students of the Autonomous University of Santo Domingo detonated homemade bombs, destroyed several vehicles, and threw rocks at security units.

University Rector Roberto Santana said the students oppose reforms established by university statutes because "they resist change and continue to live in the past." For the past two years, the Autonomous University of Santo Domingo has been among the centers showing the strongest opposition to the regime of President Joaquin Balaguer. This has caused frequent confrontations between students and the police.

Haiti

Deputies Pass Crisis Plan Backed by U.S., UN

FL0303182994 Port-au-Prince Signal FM Radio in French 1130 GMT 3 Mar 94

[Text] On the afternoon of 2 March, Haitian deputies passed a resolution approving a U.S.- and UN-backed plan for settling the Haitian crisis, a plan supported by the United States and the United Nations. The compromise plan—which provides for the early retirement of General Raoul Cedras, head of the Army, before the new prime minister takes office and which does not set a date for exiled President Jean-Bertrand Aristide's return—was approved without difficulty, by a vote of 35 out of 45.

Several deputies affiliated to the National Front for Change and Democracy, FNCD—which backs President Aristide—voted in favor of this plan. A number of FNCD parliamentarians, however, preferred to absent themselves from the discussions and the vote.

This plan presented by Haitian parliamentarians representing the main political tendencies in the Port-au-Prince parliament was backed by the United States and UN Secretary General Butrus Butrus-Ghali.

The 11-point plan approved by the deputies provides for, among other things: President Aristide's choosing and appointing a new prime minister in compliance with the Constitution; the passing of the amnesty law by the parliament's two chambers; the signing and promulgation of the amnesty law by President Aristide; the early retirement of General Cedras, a retirement already accepted by the head of state; the appointing of a new head of the Army by the head of state, in conformity with the Constitution; the ratification of the new prime minister by the Chamber of Deputies and of the new head of the Army chief by the Senate [as heard]; a vote of confidence for the new prime minister's statement of general policy from the two legislative chambers; and the suspension of all international sanctions imposed by the UN and the OAS.

The plan provides for Gen. Cedras to step down as head of the Army before the new government is appointed, while obtaining his main guarantee, which is the amnesty law. For his part, President Aristide obtains Gen. Cedras' early retirement before the establishment of the new government.

The vote on the law creating the new police force will take place after a new government takes office because—say the deputies—in keeping with the Constitution, only the executive can define such a law.

Senate Questions Content of Plan

FL0403015694 Port-au-Prince Signal FM Radio in French 1130 GMT 3 Mar 94

[Excerpt] The Senate of the Republic is asking questions about the content of the plan proposed by the Haitian deputies, according to Artibonite Senator Thomas Eddy Dupiton, who asserted that that delegation did not have the support of the Senate and that Sen. Firmin Jean-Louis might not participate in this work because the Senate office presided over by him has been dismissed. [passage omitted]

CONACOM Backs Plan

FL0403013094 Port-au-Prince Radio Metropole in French 1700 GMT 3 Mar 94

[Text] CONACOM, the National Congress of Democratic Movements, is backing the resolution voted on 2 March in

the Chamber of Deputies. The party said so in a news conference today. Rothschild [Francois] filed a report:

[Francois] Good Morning. CONACOM is on the same wavelength as the Haitian deputies. Victor Benoit's party has just brought its unconditional support to a plan for settlement of the crisis, voted as a resolution on March 2 by the deputies. In a meeting with the press today, CONACOM asserted that it welcomes the legislators' initiative. CONACOM, which participated in the discussions in Washington that resulted in the elaboration of this plan, believes this document represents a compromise between the two antagonistic sectors, President Aristide and General Cedras. CONACOM also believes that the legislators' resolution takes into account the demands of both sectors in the Haitian crisis. According to Victor Benoit's party, this resolution represents a step in the right direction, toward the Governors Island accord.

[Begin Benoit recording, in Creole] CONACOM strongly supports the legislators' proposal and the resolution of the Chamber of Deputies for the following reasons:

A. It is a good proposal, in compliance with the country's Constitution, the Governors Island accord, the New York pact, and the Miami conference.

B. It is a good proposal, written in a spirit of compromise. It respects President Aristide's demands—his return to power in Haiti and Gen. [Cedras'] anticipated retirement. This proposal also respects the general's demands: amnesty for the Army and for many people within society. It respects the demands of the entire political sector: the formation of a government of national concord, sociopolitical appeasement following national reconciliation. This proposal also respects what all the classes in the country are demanding: the lifting of the embargo so the people can operate under good conditions. [end recording]

[Francois] Questioned on President Aristide's position—who has already rejected this plan presented by the legislators—the CONACOM leaders indicate that they do not seek confrontation with the president-in-exile. According to Micha Gaillard, one of the members of CONACOM leadership, the party intends to continue talking with President Aristide on that question.

Regarding the post of prime minister, the CONACOM secretary general denied that the trip to Washington was to negotiate such a position. In any case, Victor Benoit points out that if President Aristide asks him to govern the next government, he will be ready to accept such a proposal.

Rothschild Francois, Jr., from CONACOM headquarters, for Radio Metropole.

Larosiliere Interviewed on Prime Minister Candidacy

FL0403001094 Port-au-Prince Signal FM Radio in French 1130 GMT 3 Mar 94

[Excerpts] Senator Julio Larosiliere and Deputy Ernst Pedro Casseus returned to the country on 2 March after spending several weeks in Washington. They arrived at the Mais Gate Airport at about 1800 GMT. Sen. Larosiliere says he wishes to continue his work to unblock the country's current crisis and says he will return to his office in parliament after resting up from his stay in the United States. He says he wants to work for the reconciliation of all of Haiti's sons. [passage omitted]

[Begin recording, in Creole] [unidentified reporter] Sen. Larosiliere, you know your name has been mentioned as a possible Haitian prime minister. Are you still willing to accept this post?

[Larosiliere] Listen, brother, I tell you well: I am always ready to go exactly where my duty calls me, but this is not what I went to settle in the United States. I went there to find a way to get my country out of the present situation. Sen. Larosiliere will work so that whoever is chosen as prime minister can be ratified and succeed, provided he can do the job. Being prime minister is not Sen. Larosiliere's main objective. Not at all. I have three more years to spend as a senator of the Republic. But as I told you, I will always be wherever my duty requires me to be. [passage omitted] [end recording]

Senate Considers Measures Against Absentee Senators

FL0403003294 Port-au-Prince Radio Metropole in French 1700 GMT 3 Mar 94

[Text] The Senate of the Republic is considering disciplinary measures against absentee senators. The office led by Senator Bernard Sansaricq is getting ready to vote on a resolution regarding disciplinary measures aimed at the absent senators. The resolution's preamble refers to articles of the Constitution and the Senate's internal rules on penalizing legislators who persist in skipping sessions for the purpose of sabotaging the legislative power.

The first article of this resolution provides for suspension with four months' loss of pay for senators whose behavior is determined incomprehensible and irresponsible. The resolution goes farther in its second article, providing for a commission to investigate possible participation by the senators in reinforcing the embargo and other sanctions against Haiti.

It should be noted that no voting has yet occurred on this resolution, which is circulating in the Senate of the Republic.

Mexican Official Calls NAFTA Implementation Successful

PA0403033894 Mexico City NOTIMEX in Spanish 2212 GMT 1 Mar 94

[Text] Mexico City, 1 Mar (NOTIMEX)—Reports revealed today that two months after the implementation of the North American Free Trade Agreement "results are satisfactory" since almost all textile exports from Mexico to the United States have complied with the place of origin regulations.

Pedro Noyola Nolasco, Mexican foreign trade undersecretary, noted that NAFTA's successful implementation has resulted in large commercial flows, increased exports, and the strengthening of the Mexican textile and manufacturing sectors. Interviewed within the framework of the 10th meeting of the Mexican-Canadian Ministerial Commission, Noyola said that the customs problems NAFTA faced at the beginning have been resolved satisfactorily.

Regarding Chile's integration into NAFTA, Noyola said that no specific date exists but Chile is a good candidate and that according to the admission clause its incorporation is feasible. Noyola stated that although there are no negotiations in this regard yet, the three signatories (Mexico, the United States, and Canada) have expressed their interest for Chile as well as other countries from the area to join NAFTA. He recalled that Mexico was the one to propose the admission clause in NAFTA, arguing that it constitutes a mechanism that strengthens international trade and helps create an open area instead of a closed fortress that restricts commercial growth.

Noyola added that agreements of this type and the one that is expected to be signed by the G-3 [Mexico, Colombia, Venezuela] have the greatest possibilities of promoting global trade and are more efficient than other former agreements such as the Latin American Integration Association, which did not help Mexico to broaden trade with the region. Noyola went on to say that negotiations among ministers to sign the G-3 trade agreement "have concluded." Therefore, the technical groups are only working on the final details. He disclosed that from these last meetings a final document will be issued to clearly establish the chapters regarding the place of origin and protection regulations. However, he denied that there is currently a specific date to sign and initiate the commercial agreement with the G-3.

Noyola announced that on 2 March Trade Secretary Jaime Serra Puche will travel to Costa Rica to meet with his counterpart Roberto Rojas and conclude NAFTA negotiations.

EZLN Lists Demands; Government Replies

PA0303162494 Mexico City XEW Television Network in Spanish 0435 GMT 3 Mar 94

[From the "24 Hours" newscast]

[Text] The EZLN [Zapatist National Liberation Army] made 34 demands, which we list together with the respective government reply:

[EZLN] Truly free and democratic elections.

[Government] This month an extraordinary session period will be called.

[EZLN] That the president resign.

[Government] This path would make a political solution impossible.

[EZLN] Recognition of the EZLN as a viable force and their troops as authentic soldiers.

[Government] The Chiapas peace agreement gives full guarantees to the EZLN and a dignified and respectful treatment to its members, while respecting the Constitution.

[EZLN] Self-government, and political, economic, and cultural autonomy.

[Government] A general law will be promulgated on the rights of the Indian communities.

[EZLN] General elections throughout Chiapas State.

[Government] General elections will be held in Chiapas State.

[EZLN] Electric power and a percentage of the income for the sale of Chiapas oil.

[Government] Rural community electrification programs will be increased and their speed will be duplicated annually.

[EZLN] A review of NAFTA signed with Canada and the United States, because in its current state it does not take into account the Indian population.

[Government] Within a term of 90 days, a study of the impact of NAFTA on the various productive activities of the Indian communities will be completed.

[EZLN] Article 27 of the Constitution should respect the original spirit of Emiliano Zapata. The land belongs to the Indians and peasants who work it, not the landowners.

[Government] The general law governing the rights of Indian communities will regulate the Indian splinter communities listed in Article 27.

[EZLN] Hospitals in municipal capitals with specialized doctors and medicines.

[Government] Health problems will be addressed to ensure that clinics have complete surgery facilities.

[EZLN] That the Indians' right to access to truthful information be guaranteed through an Indian radio station, independent of the government.

[Government] A concession will be granted for a radio station that is independent of the government and directed by Indians.

[EZLN] Housing in all Mexican rural communities, including utilities such as electricity, potable water, roads, sewers, transportation, televisions, stoves, refrigerators, and washing machines.

[Government] A special program will be opened through Sedesol [Secretariat of Social Development], which will be presented to the communities within a 90-day period, to start its first actions during the second semester of 1994.

[EZLN] End illiteracy among the Indian people.

[Government] A program will be established to elevate the quality of public education in the area.

[EZLN] That the dialects of all ethnic groups be made official languages and that their teaching be compulsory in all schools.

[Government] The topic of bilingual education in the Indian communities will be included in the general law of Indian community rights.

[EZLN] That our rights and dignity as Indian peoples be respected, taking into account our culture and tradition.

[Government] The demand for respect for the culture and tradition, rights and dignity of the Indian people is the central issue of the general law of Indian community rights.

[EZLN] We do not want to continue being the target of discrimination and contempt, which we Indians have always suffered.

[Government] Mexican children will be instilled with the appreciation for our origin, respect, and admiration of Indians, and the development of a culture of Indian rights.

[EZLN] In view of the fact that we are an Indian people, that we be allowed to organize and govern ourselves with autonomy.

[Government] This point is addressed in the general law of Indian community rights, in reforms to the Chiapas State Constitution, and in the new municipalities created in the current territory of Ocosingo and Margaritas.

[EZLN] That Indian people administer their own justice, according to their customs and traditions, without the intervention of illegitimate and corrupt governments.

[Government] Reforms to the Chiapas State Public Constitution will be bolstered, as will the internal rules of the Chiapas State Legal Branch and police internal rules.

[EZLN] Dignified work and fair wages for all peasant and city workers.

[Government] To address this, an initial work program will be presented within 60 days.

[EZLN] Fair prices for our agricultural products.

[Government] The Procampo [Program of Direct Support to the Countryside] program will be implemented in a completely impartial manner in addition to inducements to corn and bean producers.

[EZLN] An end to the looting of our Mexican resources and especially Chiapas.

[Government] The Federal Government and international institutions, environmental groups and foundations, will respond with coordinated actions.

[EZLN] The annulment of all debts incurred due to high interest credits, loans, and taxes.

[Government] A Finance and Public Credit Secretariat commission will be established to evaluate the extent of the problem and there will be a reply within 60 days.

[EZLN] An end to hunger and malnutrition.

[Government] The program will begin within 60 days, under the auspices of UNICEF.

[EZLN] Immediate, unconditional freedom for all political detainees in all Chiapas State and Mexico jails.

[Government] The day after signing the peace agreement, the amnesty law will be enforced, at both the federal and state level.

[EZLN] That the federal Army and public security and judicial police forces stop entering rural areas.

[Government] There will be a balance between complying with the law and respecting the rights of Indian communities.

[EZLN] Indemnify families who have suffered property damage.

[Government] Monetary support will be given to conflict victims, widows, and orphans.

[EZLN] We, the Indian peasants, wish to live in peace and with tranquility.

[Government] The Chiapas peace agreement supports this petition.

[EZLN] Eliminate the Chiapas State penal code.

[Government] The current Chiapas State penal code will be repealed.

[EZLN] We demand an end to the expulsion of Indians from their communities by state-backed political bosses [caciques].

[Government] The expulsion of Indians from their communities will be made part of the new penal code.

[EZLN] Petition by Indian women: Childbirth clinics, day care centers, and enough food for the children.

[Government] The clinics will be part of the health programs. Day care centers will be built, support will be given for lunch facilities and kitchens.

[EZLN] We demand political trials for Patrocinio Gonzalez Blanco-Garrido [president of the General council of the Federal Electoral Institute], Absalon Castellanos Domiguez [former governor of Chiapas State who was recently kidnapped and released by the EZLN], and Elmar Setzer Marseiller [acting governor of Chiapas State].

[Government] We are attempting to deal with the tensions that caused hatred. This is the spirit of peace and reconciliation.

[EZLN] No legal process or any repressive action taken against any EZLN member.

[Government] Not only will the lives of all EZLN members be respected, but we also guarantee there will be no legal process.

[EZLN] That all human rights defense groups and commissions be independent.

[Government] The creation of the National Human Rights Committee has been an important instrument for the defense of your rights.

[EZLN] That a national peace commission be formed comprising people who do not belong to the government or any political party.

[Government] The government will back the creation of a national peace commission with justice and dignity.

[EZLN] That humanitarian aid for conflict victims be funneled through authentic representatives of the Indian communities.

[Government] Agreed.

Issues Communique on Dialogue

PA0403024094 Mexico City LA JORNADA in Spanish 3 Mar 94 p 7

[Communique issued by the Indian Revolutionary Clandestine Committee-General Command of the Zapatist National Liberation Army in southeastern Mexico on 1 March]

[Text] Communique by the Indian Revolutionary Clandestine Committee-General Command of the Zapatist National Liberation Army [EZLN], 1 March 1994.

To the people of Mexico, the peoples and governments of the world, the national and international press, and our brothers:

The Indian Revolutionary Clandestine Committee-General Command of the EZLN addresses you all respectfully and honorably to make a statement.

First: The EZLN came to this bargaining table with the real intention of stating its views and explaining all the reasons that forced us to take up arms in order to avoid dying dishonorably. We came here to hold a dialogue, that is we came to talk and listen. We spoke to the supreme government and all the good and honest people in the world. We also spoke to the bad people so they will listen to the truth. Some heard our word; others followed the path of despise against our voice and our race.

Second: We met heedful ears ready to listen to the truth coming from our lips. The San Cristobal dialogue was truthful. There were no ill intentions or lies, nothing was concealed from our hearts and the people of reason and kindness. There was no sale or purchase of dignities. There was equality when speaking and listening. There was a good and truthful dialogue.

Third: We now have answers that reflect the real interest of the peace commissioner to find peace. We now have the obligation to reflect on what his words say. We must now speak to the collective heart that commands us. We must listen to its voice to be able to walk again. From it, from our people, from the Indians in the mountains and the creeks will come the next signal to take the following step on this path, whose goal will be peace with justice and dignity or it will not be.

Fourth: We have found in the commissioner for peace and reconciliation in Chiapas a man who is willing to listen to our reasonings and demands. Not only did he listen to us and understand our position, but he also sought possible solutions to our problems. We salute the attitude assumed by Peace Commissioner Manuel Camacho Solis.

Fifth: We have seen in Bishop Samuel Ruiz Garcia, the national mediation commissioner, a real and permanent interest in eliminating all the obstacles that could get in the way of peace. Along with him, good men and women worked day and night to make sure nothing interrupted the dialogue. Sacrificing their personal safety, well-being, and health, the mediators fulfilled their mission by negotiating not between peace or war but between two voices that are still trying to reach a peace agreement. These men and women received us because they want peace. If peace is achieved in this region, it will be thanks first of all to their peace efforts. We recognize the sacrifice and dedication of the National Mediation Commission, particularly that of Bishop Samuel Ruiz Garcia.

Sixth: This phase of the dialogue is over now, and we are on the right path. Let us eliminate all obstacles and continue moving forward.

Freedom!

Justice!

Democracy!

Respectfully,

[Signed] Subcommander Marcos

[Issued] From southeastern Mexico by the Indian Revolutionary Clandestine Committee-General Command of the Zapatist National Liberation Army—Mexico, March 1994.

EZLN, Government To Meet Again

PA0403015594 Mexico City Radio ACIR Network in Spanish 0000 GMT 4 Mar 94

[From the "ACIR Radio News" newscast]

[Text] Peace Commissioner Manuel Camacho Solis bid the Zapatist National Liberation Army, EZLN, delegates, especially Subcommander Marcos, goodbye in Ocosingo, Chiapas very early this morning. Camacho Solis reiterated his conformation with the commitments reached in the Zapatists' presence. The first phase of the peace and reconciliation talks in Chiapas resulted in 34 commitments. We will later describe the commitments reached, as well as the EZLN demands and Commissioner Manuel Camacho's responses during almost 10 days of this first phase.

Peace has not been signed in Chiapas. The Zapatists are returning to their communities to report on the agreements reached. The commissioner, the Zapatists, and mediator Samuel Ruiz will meet again, probably by the end of this month, although the date has still not been set. After Camacho Solis departed, the EZLN delegates, accompanied by International Red Cross representatives, returned to their communities to explain the agreements. I repeat, they will return to San Cristobal de las Casa before the month is over.

Camacho Solis, EZLN, Bishop on Talks

PA0303182694 Mexico City Radio ACIR Network in Spanish 0000 GMT 3 Mar 94

[From the "ACIR Radio News" newscast]

[Text] At the conclusion of the first stage of talks in Chiapas, the government responds with firm commitments to the demands of the Indians, who are represented by the EZLN [Zapatist National Liberation Army], while the government also responds to the nation's demands. Such is democracy.

Ten days have passed since the negotiating table was established in San Cristobal de las Casas; of the 34 points presented, two are not resolved. The commitment of greatest transcendency is the summons of special Congressional sessions for electoral reforms that will bestow

trustworthiness on the 21 August elections. Peace Commissioner Manuel Camacho Solis said democratic policy is the road to change and on this point he made reference to guarantees for the nation's progress. Here is what Manuel Camacho Solis said:

[Begin Camacho Solis recording] Of the 34 initial points on the list of petitions, the two referring to national democracy are not part of the negotiation; however a response has been clearly given for these. Instead of taking the confrontation down a dead end street, we will all be part of a process of political and institutional changes. This process must take place in the civil society's institutions, in political parties, in the state branches, and in public opinion. Democratic policy is the road to change. The announcement that there will be special sessions in the Congress—with the political parties' agreement—to make reforms that will guarantee the impartiality of the electoral institutions and the communities' participation, is an important step toward democratic change. This will contribute to the construction of peace in Chiapas. [end recording]

This morning at the San Cristobal de las Casas cathedral, in front of the media and the EZLN delegates, Camacho Solis said that the results of the peace negotiations are unique and are a source of pride for Mexico. Camacho Solis said that the road to justice has been traced without winners or losers, as the patriotism of the participants involved prevailed without adversely affecting the legitimate rights of third parties. Camacho Solis acknowledged that there were limitations in the dialogue, noting, however, that neither constitutional order nor sovereignty were ever hampered.

In the document entitled Commitment for a Worthy Peace, the EZLN was offered the choice of the type or nature of its social participation. Deadlines from 60 to 90 days were fixed to initiate programs and resolutions on the demands of extension for electricity projects, rehabilitation of hospitals and health clinics, emergency programs to combat malnutrition problems, support for womens community organizations, and support for the transportation sector, as well as the concession or purchase of a radio station controlled by the Indians.

With regard to the land problem, it was acknowledged that the agrarian reform process was not fully carried out in Chiapas. As a result, an initiative was presented on a general law on the Indian communities' rights, in response to the demands of government autonomy, as well as on economic, political, and cultural demands. Article 4 and parts of Article 27, which strengthen the State's powers for the restitution of lands and the division of vast land estates, will also be reformed. Also, in response to the EZLN's list of petitions, the creation of the Prosecutors Office for the Defense of Indians' Rights is highlighted.

In addition, the Treasury Secretariat, within 60 days will respond to expired loans, while the eviction of Indians will be considered a crime. The Trade Secretariat will analyze NAFTA's impact on Indian communities while a new electoral law will be enacted in Chiapas. With regard to the EZLN demands to stage a political trial against former governors Patrocinio Gonzalez, Absalon Castellanos, and Elmar Zetzer, it was said that the spirit of peace should wipe out resentments.

It was indicated that the release of political prisoners would be carried out once peace is signed and in keeping with the amnesty law. In addition, it is guaranteed that aid to the victims of the conflict will be channeled through community representatives.

Peace Commissioner Manuel Camacho Solis indicated that the Federal Government's response includes all the Chiapas sectors although they have broader repercussions. Camacho Solis said that after consultations held by both of the dialogue participants on these proposals, the final peace agreement in Chiapas will be signed by the attorney general, the secretary general of Amnesty and Reconciliation for Chiapas, the secretary general of the Government, and the prosecutor. Meanwhile, for the EZLN, general staff representatives will be appointed.

The consultations with the Indian communities and at government institutions' levels could be concluded before the end of this month. Meanwhile, the EZLN acknowledged that the response to their demands put on the San Cristobal negotiating table reflects true interest in finding peace. At the conclusion of this first phase of the peace and reconciliation efforts in Chiapas, EZLN delegates read communiques in which they set out their position on the negotiations. An EZLN representative—who on this occasion was not Subcommander Marcos—acknowledged that a true dialogue had taken place without deceit or lies, without the purchase or sale of dignity. Here is what an unidentified EZLN representative said:

[Being EZLN representative recording] We found willingness and eagerness to hear the truth which we spoke. The San Cristobal dialogue was a true dialogue, there was no deceit or lies, nothing was hidden in our hearts [words indistinct] reason and goodness. There was no sale or purchase of dignity; we spoke and were heard on an equal level. It was a true and good dialogue. [end recording]

The EZLN widely acknowledged its appreciation of Manuel Camacho Solis of whom it was said did not limit himself to just hearing and understanding them, rather he searched for alternative solutions. The EZLN also acknowledged its appreciation of Bishop Samuel Ruiz' true concern to overcome the obstacles found on the road to peace. The EZLN said that the mediators fulfilled their tasks not in the middle of peace and war, but as two voices that are still trying to find each other. The EZLN indicated that now it must speak to the collective heart of the Indians who are in the mountains. The armed group also thanked the honest and altruistic work of the nongovernmental organizations the representatives of which formed a peace cordon around the San

Cristobal cathedral where this first stage of the dialogue for peace and reconciliation took place.

This morning Samuel Ruiz, bishop of San Cristobal de las Cases, also gave his views on the conclusion of the dialogue's first stage. Ruiz said that the conclusion of this first stage of the efforts for peace and reconciliation in Chiapas represents a landmark in Mexican history in which the Indians demand and proclaim everyone's participation. Moreover, Ruiz indicated that hidden forces representing state control and the return to former ways which have been combated have been felt. The Chiapas conflict mediator said that the peace agreements will not be the result of discussions at a negotiating table but of the willingness of each member of society to contribute his part for the common well-being.

The San Cristobal de las Casas bishop indicated that Chiapas had contributed to the nation's richness by its sacrifices and now it contributes to the enhancement of a new nation as it progresses in the construction of peace. Samuel Ruiz thanked the EZLN for their serious and appropriate list of petitions. Of Manuel Camacho Solis he said: We are now united on a common road, while he thanked him for his sincerity and eagerness to attain successfully a general consensus in the first stage of the dialogue.

To conclude, the bishop said that the San Cristobal de las Casas cathedral will be protected in order to subsequently hold the final meeting of the peace and reconciliation efforts that will be preceded by initiating the implementation of the agreements. [sentence as heard]

Armed Group Delegates Return Home After Dialogue

PA0303225994 Mexico City NOTIMEX in Spanish 2055 GMT 3 Mar 94

[Text] San Miguel Ocosingo, 3 Mar (NOTIMEX)—Negotiators from the armed group in the State of Chiapas today started returning to their Indian communities in southeastern Mexico after holding talks with Peace Commissioner Manuel Camacho Solis. Escorted by the International Red Cross and nongovernmental organizations, the delegates left the San Cristobal de las Casas Cathedral, 1,200 km southeast of Mexico City, for their hometowns. These delegates will inform their communities about the results of their dialogue with Camacho Solis in which they received promises to meet their economic, political, and social demands for upgrading the living standard of the Indians.

The results of nine days of talks at the cathedral require the approval of President Carlos Salinas de Gortari and local Indian communities before they can be transformed into a peace agreement.

As he saw off eight of the 19 delegates in San Miguel Ocosingo, Camacho Solis insisted on implementing initial agreements on meeting the needs of the Indians to avoid loosing the hope and trust achieved during the dialogue. "At this time no one can fail to honor his word because that would actually be tantamount to failing Mexico," the commissioner said as he saw off the delegates headed by "Subcommander Marcos," military chief of the armed group.

The dialogue began on 21 February to find a political solution to the conflict the group initiated on the first day of this year to present Indian demands by occupying towns and attacking the military. This forced the Mexican Army to intervene.

In Las Margaritas delegate "Juan" also urged those involved to comply with the agreements to avoid putting "distance between the two parties."

Human Rights Official: Amnesty International Report 'Hasty'

PA0403031994 Mexico City LA JORNADA in Spanish 1 Mar 94 p 10

[Report by Gloria Perez Mendoza]

[Text] Toluca, Mexico, 28 Feb—Jorge Madrazo Cuellar, president of the National Human Rights Commission [CNDH], has termed the observations by Amnesty International (AI) that the CNDH is an organization with no authority that is dependent on the federal executive as "hasty and politically motivated." In addition, Madrazo Cuellar stressed that the CNDH just began investigating, from the compiled evidence, the events that occurred at the Morelia ejido in Chiapas. He reiterated that the forensic experts and criminologists are working to reach a conclusion.

After attending the annual report presentation by Mireilla Roccatti Velasquez, president of the State Human Rights Commission (CEDH), Madrazo Cuellar said that regarding the threats, intimidations, and burning of property near San Carlos Hospital in Altamirano, the governor of Chiapas "decided to launch a preliminary investigation, and we will be expecting the results." The human rights ombudsman [preceding word in English] stated that in certain areas of Chiapas some cattlemen have "manipulated" the population to protest against the work of the CNDH. He added: "They are trying to promote their spurious and illegitimate interests."

Madrazo Cuellar reported that there have been new reports regarding EZLN [Zapatist National Liberation Army] actions, above all cattle rustling, invasion of rural properties, and burning of peasant and Indian homes in the area," [no opening quotation mark as published] and he said that there were no reports against the Mexican Army.

During the report presentation by Mireilla Roccatti, Governor Emilio Chuayffet Chemor called for the decentralization of the state organization and the creation of municipal commissions on human rights in the 121 municipalities of the state.

Additionally, Roccatti noted in her report that of the 2,492 complaints received as of 31 January, 1,693 have been investigated. This represents a progress of 67 percent in resolving cases.

Canadian Foreign Minister Begins Visit

End To U.S. Embargo of Cuba Urged

LD0203151594 Montreal Radio Canada International in English 1430 GMT 2 Mar 94

[Text] Canada and Mexico have agreed to work together to push for an end to the U.S.-imposed trade embargo against Cuba. Canada's foreign minister, Andre Ouellet, and his Mexican counterpart, Manuel Tello, met in Mexico City yesterday, and they said it is time to convince the U.S. to end the isolation of Cuba. Neither Canada nor Mexico observe the U.S.-ied embargo. The embargo has been in force since the 1960's.

Colombian President's OAS Bid Backed

PA0303231094 Mexico City NOTIMEX in Spanish 0518 GMT 2 Mar 94

[Text] Mexico City, 1 Mar (NOTIMEX)—On 1 March, Mexican Foreign Relations Secretary Manuel Tello and Canadian Foreign Affairs Minister Andre Ouellet pledged their support in Mexico City for Colombian President Cesar Gaviria's candidacy for OAS secretary general.

Upon the conclusion of the 10th meeting of the Mexican-Canadian Ministerial Commission on 1 March, the two officials announced their governments' support for the candidacy of the Colombian president, thus adding to the support already pledged by the United States, Venezuela, Ecuador, Peru, and Argentina, among others.

The election of the OAS secretary general will take place in Washington, D.C. on 27 March. The new secretary general, who will take office on 20 June, must garner at least 18 of the 34 votes that the members of this hemispheric organization will cast.

Costa Rican Foreign Minister Bernd Nichaus is the other candidate with possibilities of occupying the OAS secretary general seat.

Legislators on Water Treaty With U.S.

PA0403043694 Mexico City UNOMASUNO in Spanish 1 Mar 94 p 6

[Report by Jorge Octavio Ochoa]

[Text] La Paz, Baja California Sur, 28 Feb—The Chamber of Deputies and the Senate, through a special committee, will soon present to the Foreign Relations Secretariat a legal proposal to renegotiate with the United States the International Treaty on Limits and Waters [Tratado Internacional de Limites y Aguas] signed by the two countries in 1944, because the neighboring country has flooded the soil of Mexicali and Tijuana with saltpetrous water and infected it with agrochemical and fecal residues, thus rendering all that territory uncultivable.

A total of 30,000 hectares have been affected, and this caused not only huge losses to wheat crops but also to human life (from 1979 to 1992) due to the emergence of new and fulminating diseases such as acute meningoencephalitis, which attacks the brain directly and kills in less than 72 hours.

Legislators of all parties met here today with jurists, researchers, and specialists on this issue to discuss the problem and determine the terms and juridical recourses that could be used to renegotiate and renew this treaty with which the United States has failed to comply for the past 20 years.

In 1993 alone Mexico received from tributaries of the Colorado River in the United States 10 million cubic meters of mud in which large concentrations of sodium, magnesium, and calcium were detected. They "have ruined the productivity of the land and have irreversibly contaminated human life, flora, fauna, and aquatic life." Moreover, as was already mentioned, also detected in those waters were the free-living protozoan amoebas [protosoario amiba de vida libre], which reproduce when in contact with organic matters, such as feces, and cause diseases such as the aforementioned acute meningoencephalitis which affects people swimming in such waters. This problem worsened last year when the Colorado River overflowed into the Mexicali Valley. This nearly flooded the city. As a result, the Permanent Committee of the Chamber of Deputies instructed the Border Affairs Committee to verify the scope of the damage and determine whether the overflowing of the Colorado River violated the treaty in question.

A special subcommittee chaired by Deputy Javier Cital Camacho conducted the respective study and concluded that "the provisions contained in the International Treaty on Limits and Waters signed by Mexico and the United States are inadmissible and unfair to our country."

The document was also signed by Ernesto Enciso Clark and Rafael Morgan of the National Action Party [PAN]; Marta Maldonado of the Party of the Democratic Revolution [PRD]; Jorge Tovar Montanez of the Popular Socialist Party [PPS]; Rogelio Appel Chacon, Oscar Garzon, and Luis Moreno Bustamante of the Institutional Revolutionary Party; and Javier Colorado Pulido of the Authentic Party of the Mexican Revolution. In this document they concluded that there is no compatibility between the hydraulic systems of the two countries, and thus, the flow [desfogue] of solid matters that ends up at the Morelos Dam "provokes permanent storage and contamination of our waterways [vasos]." This is "highly and dangerously harmful to the Mexicali and San Luis Rio Colorado Valleys."

For these reasons they proposed renegotiating the treaty to turn it into a document that "promotes the principles of good neighborliness, international respect, fair treatment, and good intentions." They also pointed out that a new treaty should include the San Luis Rio Colorado Valley, Sonora, and the Gulf of California Mar de Cortes. They said that the United States must expand its ability to retain solid matters at water bodies above the Gila River and promote the construction of reservoir systems and regulators to prevent the flow of mud, among other things.

These proposals were revealed today during a forum to analyze the treaty. It was headed by Governor Guillermo Mercado Romero and Agustin Basave Benitez, chairman of the Chamber of Deputies Border Affairs Committee. Also present at the forum were Jose Ramirez Roman, chairman of the Chamber of Deputies Health Committee; PAN members Tomas Esparza Carlos, Ernesto Encizo, and Rafael Morgan; PRD member Marta Maldonado; PPS member Jorge Escobar; and specialists Rodolfo Moreno Dahma, Maria Valdes, Luis Flores Lui, Manuel Ortega, and Jesus Roman Galleros.

The latter, who is a researcher at the School of the Northern Border and in charge of the Environmental Studies Department, said that this issue is extremely delicate and requires an urgent solution because concentrations of salt of 2 kg per cubic meter of water coming from the United States have been detected. This, he added, is without taking into account the organic residues and mud coming from the other side of the border. "Water coming from the United States is completely contaminated, and this is so because the dam system along the Colorado River is the most controlled system in the world." It contains 2,500 km of water flow controlled by 39 dams that at the lower end release into Mexico a heavy load of contaminants from agroindustrial residues.

In a speech Agustin Basave warned that this string of problems with the United States threatens to deteriorate our bilateral relationship. He added that in this case a definitive or "lasting" [de largo aliento] solution must be sought, because it is no longer advisable to postpone discussion or a possible renegotiation of this issue.

[Mexico City UNOMASUNO in Spanish on 3 March carries a 600-word article on page 4 stating that: "Following more than 11 hours of negotiations, the Chamber of Deputies Border Affairs Committee has decided to propose to the government of the republic a 'review' of Act 242 on limits and waters signed with the United States instead of proposing a 'renegotiation' of the entire treaty, because the latter would create more conflicts between the two nations." Committee Chairman Agustin Basave points out that this issue will be brought up at the upcoming Mexico-U.S. binational meeting in April at the Port of Huatulco, because this problem "is increasing tension in the relations" between the two countries.]

Roundup of Electoral Developments

PA0403030894

[Editorial Report] The following is a compilation of reports on developments relating to the Mexican elections scheduled for 21 August 1994. Luis Donaldo Colosio, presidential candidate for the PRI, Institutional Revolutionary Party, visited Villa Hermoza on 22 February, capital of Tabasco State. Peasants briefed him on the agriculture and cattle-raising sectors. He said: "We must first admit what has not worked in order to make corrections. One of things that has not worked, and we have to correct it, is the federal government's relationship with Tabasco State." Colosio gathered a record crowd of 30,000 people. (Mexico City Radio ACIR Network in Spanish 0000 GMT 23 Feb 94)

PRI candidate Colosio ended his Tabasco State campaign and began touring Campeche where he visited the Cuatro Caminos neighborhood, one of the poorest, and noted the peoples' demands. During a meeting with the Cambio 21 Foundation, he pledged to work for federalism to strengthen states and municipalities.

On the subject of Campeche oil, he said: "Out of every $100 of crude exported, $65 originate from Campeche. We must do our best to ensure that this oil exploitation brings more benefit to the people of Campeche."

Meanwhile, Diego Fernandez de Cevallos, presidential candidate for the PAN, National Action Party, received a call in Mexicali from Manuel Camacho Solis, Peace and Reconciliation Commission representative in Chiapas. Camacho Solis said talks with the Zapatist National Liberation Army are going well. Cevallos said: "I took the call while I was here at the University, and he said the talks are progressing well and that he hopes to have news for us soon...." Cevallos met with law students at the University of Baja California. He said the country's problems are political and already solved, others, like the economy and social problems will be solved gradually.

In another report, Marcela Lombardo, presidential candidate for the PPS, Popular Socialist Party, campaigned in Mexico City and met with the Worldwide Association of Women Journalists and Writers. There, she spoke of her party's development project proposal and said in part: "...with regional planning, to take advantage of all the resources from each of the country's resources."

Cuauhtemoc Cardenas Solorzano, presidential candidate for the PRD, Party of the Democratic Revolution, campaigned in Guerrero State and spoke out against political bosses, authoritarianism, abandoning the Indians, and in favor of democracy. He said: "Right now, we are proposing changes to the electoral law and open elections."

Lastly, the PT, Workers Party of Mexico, registered its political platform with Federal Electoral Institute, IFE, authorities. Presidential candidate Cecilia Soto headed the delegation and she handed the document to IFE General Director Arturo Nunez. She then held a news

conference where she said in part: "...our proposals do not include constitutional reforms. It would be very difficult to reach an agreement on this." (Mexico City XEW Television Network in Spanish 0435 GMT 24 Feb)

On 24 February, PRI and PARM, Authentic Party of the Mexican Revolution, parties delivered their political platforms to IFE authorities. IFE General Director Arturo Nunez said: "The electoral platforms highlight several ways to understand Mexico, to see its problems, and offer solutions from each party's view point." (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 Feb 94)

PRI candidate Colosio ended his political tour to Merida and continued on to Quintana Roo State where he said the August elections must be exemplary to inspire confidence and added: "I want to be the president of Mexico to democratically change our country."

PAN candidate Fernandez de Cevallos visited Sinaloa State and told businessmen his party had not made political agreements in the electoral processes. He said the PRD had received more benefits than his party in the preelectoral conflicts. He responded to Confederation of Mexican Workers, CTM, leader Fidel Velasquez' charges against him by saying: "The union sector is a progovernment, boss-controlled game preserve which does not accept democracy. This cannot continue."

During her visit to Tlaxcala State, PPS candidate Lombardo Otero summoned interested parties and candidates to a meeting to discuss a different economic program that will satisfy the needs of the Mexicans and create more jobs.

PRD candidate Cardenas initiated a three-day tour to Michoacan state to outline his political platform.

Rafael Aguilar Talamante, Cardenist Front for National Reconstruction Party, PFCERN, presidential candidate, attended a political rally in Mexico City and said: "To prompt the changes the country requires, it is imperative we use the power of the vote instead of the destructive power of weapons, intolerance, or violence." He called for the reasoned vote to prevail over the retaliation vote.

PPS and PRD parties registered their political platforms at IFE for the 21 August federal elections today. Counting these two parties, eight political parties have registered their platforms at IFE, only the PFCERN has not presented the corresponding document. (Mexico City XEW Television Network in Spanish 0430 GMT 26 Feb 94)

At a meeting with the IFE General Council today, "the nine registered political parties approved important agreements to ensure clean and honest elections in August." The main agreements were: "1) To request the Criminal Law be revised so it clearly stipulates what electoral crimes are and increases the punishments." 2) Approval of electoral observers. They, however, "have to be Mexican citizens who agree to take a training course, are not registered in any political party, and have not run for any public office in the past three years. 3) Pending approval of the Attorney General's Office, a special Electoral Crimes Prosecutor's Office will be created." 4) The function of auditing the electoral register will be publicly auctioned. "5) The Federal Government will give political parties an additional 10 percent for political training, socioeconomic investigations, and expenses for editorial tasks. The parties will receive more than 19 million new pesos for those activities."

Pablo Emilio Madero, presidential candidate of the National Opposition Union, UNO, campaigned in Nayarit State. He met with students and invited "all Mexicans to use their electoral card because it will allow them to make changes in the country."

Jorge Gonzalez, presidential candidate of the Mexican Green Ecologist Party, toured Mexico State. He said "alternate technology is an ecological answer to resolving the lack of basic services such as drinking water." (Mexico City XEW Television Network in Spanish 0435 GMT 1 Mar 94

Manuel Camacho Solis, Commissioner for Peace and Reconciliation in Chiapas, has tried to stop persistent rumors about his aspirations to the Mexican presidency, and he told reporters: "I have nothing to add regarding personal issues. Right now, I am dedicated to my work. Once the peace agreements are signed, I will comment on what I expect to do next."

Political and media speculations have noted that Camacho's political perspectives will increase if the conflict in Chiapas is resolved prior to 15 March, the deadline for political parties to register their candidates for the 21 August presidential elections. PRI has announced that its candidate, Luis Donaldo Colosio, will register on 4 March. (Madrid EFE in Spanish 0649 GMT 3 Mar 94)

PPS candidate Lombardo campaigned in Yucatan and spoke out against foreign electoral observers at the August elections. She said "the political parties themselves have to guard the elections."

PRD candidate Cardenas visited Mexico City Ibero-American University and spoke about the Chiapas agreements. He said: "It seems the government has started to respond to the demands." Cardenas was interrupted several times by students who protested because he had not attended a previous meeting.

A Mexico City voters registration office official reported more than five million people in Mexico City already have the corresponding voter's card. (Mexico City XEW Television Network in Spanish 0435 GMT 3 Mar 94)

El Salvador

Roundup of Electoral Developments

PA0303220294

[Editorial Report] The following is a compilation of reports on developments related to the Salvadoran elections, scheduled for 20 March.

Unity Movement presidential candidate Jorge Martinez has advocated the promotion of a moral market economy based on "the ethical values of man that serve as the root for the construction of an economic order oriented toward the promotion of increased national well-being" and which will accomplish this objective "by better distributing economic resources, by securing sustained economic growth, and by an equitable distribution of income." Martinez explained that "the system's stability depends on social justice." (San Salvador LA PRENSA GRAFICA in Spanish 24 Feb 94 p 8)

A poll conducted by the Jose Simeon Canas Catholic University and Central American University reveals that the majority of the people have little interest in the elections process, do not trust the elections process or the country's elections, and have no trust in the state's institutionality. The poll reveals that 36 percent of the people have not decided yet who they will for vote on 20 March. The poll reveals that what the people most want is jobs, fighting crime, and the end of poverty. What the people most want, the poll reveals, has to do with the economy, and then with crime. (San Salvador Radio Cadena YSU in Spanish 1800 GMT 24 Feb 94)

Nationalist Republican Alliance, Arena, presidential candidate Armando Calderon Sol has regretted the 24 March attack on Miriam Diaz, a leader of the Farabundo Marti National Liberation Front, FMLN. He said: "Violence has been left behind. The Salvadoran people are tired of violence, including verbal violence, to say nothing of physical violence. We regret this event, we condemn it, we repudiate it, and we are asking that a thorough investigation be conducted." He emphasized that attacks are not the road, "elections are the road, democracy is the road." (San Salvador Radio Cadena YSU in Spanish 1800 GMT 25 Feb 94)

Arena candidates for the 20 March elections, including the presidential and vice presidential candidates, Armando Calderon Sol and Enrique Borgo Bustamante, respectively, have met in San Salvador to work out the final details of the elections. Arena sources say this is the only party that has representatives in the most remote corners of El Salvador. (San Salvador Radio Cadena YSU in Spanish 1800 GMT 2 Mar 94)

Roberto Escobar, the presidential candidate for the National Conciliation Party, PCN, responded to a question on his party's platform by stating: "All the economic measures envisaged in our political platform are congruent with the improved social well-being of Salvadorans. We understand social well-being," he noted, "as the satisfaction of educational, health, housing, recreational, sports, cultural, and spiritual needs." He explained that economic and social development cannot be separated. (San Salvador LA PRENSA GRAFICA in Spanish 1 Mar 94 p 8)

Guatemala

Government, URNG Begin Peace Talks in Mexico City

PA0403025794 Mexico City NOTIMEX in Spanish 0133 GMT 3 Mar 94

[Text] Mexico City, 3 Mar (NOTIMEX)—Guatemalan Government and guerrilla representatives agreed that the human rights issue is the first and foremost point in the peace negotiations which began in Mexico City today. Hector Rosada, chairman of the government's Peace Commission, said the human rights issue will be the first point to be addressed in this round in an attempt to resolve it "because it has already been discussed previously." They will also decide on the timetable of the agenda for subsequent meetings.

Rolando Moran, leader of the Guatemalan National Revolutionary Unity [URNG], emphasized that human rights must be "the first point discussed in the meeting. Agreements in this area have already been reached and signed with the previous government. There are a number of points that have already been signed. We have to base ourselves on them and discuss them...therefore, the human rights issue is the first topic to be discussed, mainly because of its importance in Guatemala," he added. The guerrilla leader said human rights are very important, as shown by Argentine expert Monica Pinto's report presented at the Geneva meeting on the situation in Guatemala.

Today in Mexico, the government and the URNG General Command resumed talks to end the armed conflict in the Central American nation which has lasted for more than 30 years. The government delegation of President Ramiro de Leon Carpio also includes General Carlos Pineda, deputy chief of staff; Gen. Arnoldo Balconi, Army inspector general; and Gen. Victor Argueta, commander of the Honor Guard. Commanders Gaspar Ilom, Pablo Monsanto, Rolando Moran, and Carlos Gonzalez, and members of the Political-Diplomatic Commission are participating in the guerrilla delegation.

Today, UN-appointed mediator Jean Arnault met separately with the two sides to find points of concurrence. In January in Mexico City, the two sides agreed to resume the negotiations after they were suspended for eight months because of former President Jorge Serrano Elias' self-inflicted coup. The government and the URNG held talks for the first time in Mexico City in April 1991. Only relative progress has been achieved to end the conflict that has caused more than 100,000 deaths and left 50,000 missing.

French Official Says France Supports Peace Process

PA0403032394 Guatemala City EL GRAFICO in Spanish 2 Mar p 7

[Report by David Flores Castillo; quotation marks as published]

[Text] In an analysis of her visit to Guatemala, Lucette Michaux-Chevry, French minister delegate of humanitarian action and human rights, noted that her country supports the pacification process that is being advanced here although "one of the main obstacles to attain peace is the refusal to hold talks."

"I have seen, however, that there is hope, dedication, and work among Guatemalans. That is very important, but I think 30 years of internal armed struggle is too much for a multi-ethnic nation, although I must make it clear I did not come from France to pass judgment or teach lessons. Based on her country's experience, where there was slavery and exploitation, "one never achieves a perfect democracy; one always has to move to strengthen it," and that is the role Guatemala must play, "because that commitment exists among Guatemalans, and my country, France, supports that initiative."

Based on her experiences in Ixcan, Quiche, she stated the Guatemalan people's spirit is always high because they are ready to obtain a better future through work and respect for their human, economic, and social rights. "The basis for a solution to the nation's problems and the strengthening of democracy constitute the fundamental pillars to building peace for the peoples, especially for the people of Guatemala and Latin America where exploitation and poor distribution of land is almost a widespread problem.

The French official added: "When I return to my country, I will report that the people of Guatemala want to have the right to work and live." Michaux-Chevry's remarks coincide with the United Nations call to the government and Guatemalan National Revolutionary Unity to resume their peace talks on 3 to 7 March.

Human Rights Associations Denounce Army's Forced Recruitment

PA0303143594 Mexico City NOTIMEX in Spanish 1904 GMT 2 Mar 94

[Text] Guatemala City, 2 Mar (NOTIMEX)—Human rights associations today denounced the Guatemalan Army's reinstating in the past days "the capture or hunting of youths" as part of obligatory military recruitment.

The National Commission of Guatemalan Widows [Conavigua] said Army troops have been visiting villages in the interior of the country since last February to recruit youths.

Conavigua stated in a communique: "The mothers, sisters, and wives of Guatemala protest once again against the abrupt, indiscriminate manner in which the Army is implementing an obligatory recruitment."

According to the report, youths are "captured" when they leave school, mass, the market, or when walking in the square.

Conavigua has referred to the Army's recruitment as a "brutal hunt."

Conavigua also criticized the Army's never telling families their sons have been taken to military detachments for recruitment; therefore, relatives are kept in the dark for quite a while regarding their whereabouts

Conavigua stated the persecutions were conducted such municipalities as Coatepeque, Momostenango, Totonicapan, Patzite, and El Estor, and in the country's interior, as well as in other municipalities in the central Department of Chimaltenango and the western Department of Quetzaltenango.

International human rights organizations such as the Guatemalan Human Rights Ombudsman's Office, which is the independent human rights UN specialist in Guatemala, and the Guatemalan Mutual Support Group [GAM] have requested the government regulate or ban the current recruitment practices.

GAM consists of Colombia, the United States, Mexico, Norway, Spain, and Venezuela.

President Holds News Conference To Discuss Draft Bills

PA0303202094

[Editorial Report] Guatemala City Teleonce Television in Spanish at 0350 GMT on 1 March during its "Telepress" newscast broadcasts a 38-minute recorded news conference by President Ramiro de Leon Carpio with foreign and domestic reporters. The place and date of the news conference are not given.

De Leon begins by announcing that on 28 February he sent three draft laws to Congress, one of which calls for reforms to the Electoral and Political Parties Law that will reduce to 76 the number of deputies and for making possible the participation of civic committees in the elections.

The president adds that another draft calls for reforms to Article 201 of the Penal Code in order "to punish more severely the individuals responsible for kidnapping, as this is one of the crimes that harms society the most." De Leon explains that "prison sentences for kidnappers will be increased to 25 and 30 years, instead of the 8 and 15 years currently in force," and that capital punishment—which is now being applied only if the kidnaped person dies during the action—will also be applied "if the victims are defenseless, such as minors, persons over 60 years old, and women, as well as if the victim suffers

severe injuries." The third draft is the president's veto of a decree that made reforms to the Social Welfare Institute of Journalists.

Answering a reporter's question on the issue of human rights and capital punishment, de Leon answers that "there is a convention that establishes diminishing and possibly eliminating capital punishment," and "it is up to Congress to examine this issue carefully." With regard to recent visitors, de Leon answers another question by saying: "Today I had the honor of receiving the French minister delegate of humanitarian action and human rights and the German vice chancellor. The Guatemalan Government and president were very pleased to receive from the French minister not only a ratification of support for the Government of Guatemala, but also to receive from the French people and Government recognition of the efforts the people and Government of Guatemala are making to preserve and strengthen our democracy." On the same subject, the president adds that the German vice chancellor "reiterated Germany's economic, technical, and moral support for Guatemala."

The reporters then ask de Leon Carpio about the public health situation, to which he responds that he had an urgent meeting today with the health and finance ministers to discuss the purchase of medications and the payment of old debts so the hospitals may receive urgently needed supplies, such as oxygen tanks.

Honduras

Congress President Views Currency Devaluation

PA0403044494 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 1 Mar 94

[Report by Julio Armando Valdez]

[Text] Continuing with our report on currency devaluation, National Congress President Carlos Roberto Flores suggested a national plan to stabilize the lempira. The national assembly president believes such a plan is necessary, and is opposed to an official currency devaluation. Flores believes the lempira's interbank value should remain unaltered in order to guarantee the country's economic stability.

National Congress President Carlos Roberto Flores Facusse was asked his opinion about recent statements made by [Central Bank President] Hugo Noe Pino on the possibility of officially devaluating the national currency.

[Begin recording] [Flores] I believe those statements, which I honestly did not hear in context, were probably not interpreted as they were stated. Anyway, I am going to tell you my personal opinion. The Central Bank president will, in turn, have to clarify what he really meant to say.

I do not believe the lempira should continue to be devaluated. On the contrary, instead I believe the country should decide to adopt some decisions with respect to preparing a national project, which will ensure our national objectives. One of those objectives is currency stability. One of the country's main goals is to prevent any further currency devaluation. The only thing devaluation causes is negative collateral effects. For example, it generates more inflation. As we have already stated, inflation is one of the most vulgar taxes we can impose on the Honduran people.

In this respect, what should prevail is a willingness to seek different options, which are available to us and will provide more stability to the lempira. Instead of believing we are going to have a lempira that will be constantly devaluated, what we should try to ensure is a more stable currency. We should also seek to implement the most effective measures and join efforts in a national project that will encourage production, increase our exporting capability, stimulate investment, and provide more confidence to the economic sector as well as strengthen our markets. The objective of all of this is to more perfectly ensure economic stability.

[Valdez] The devaluation factor will be eliminated, which would entail an official devaluation. What is Congress' position with respect to this?

[Flores] With respect to this issue, I believe that since, at this time, the currency is subject to market fluctuations, what should currently prevail is an attempt to strengthen the currency. In other words, the fact that the National Congress has taken steps to approve changes in the customs devaluation factor is aimed more towards eliminating devaluation effects on the country's currency. In other words, what we are attempting to do is make the lempira more secure, confident, and stable. We must try to implement the necessary measures so as to provide the country with more economic stability.

[Valdez] Will the National Congress accept any initiatives aimed at devaluating the currency?

[Flores] National devaluation is not an initiative that must be presented before the National Congress. Neither is it an initiative which, as rumors says, the Honduran Central Bank expects to take. Currency devaluation occurs in terms of what takes place in a market, like the one that is currently operating, which is precisely a supply and demand market.

In reforming the decree, we have attempted to control the customs devaluation factor. We have done so to such an extent as to indicate that before changes are made the National Congress must first approve it. The objective of all this is to inject confidence into the market and to say that far from depreciating the currency, what we want is more stability. Now, the only way to prevent the lempira from devaluating is to initiate a national project with mechanisms to amend some of the economic problems we are currently confronting. [end recording]

Nicaragua

Indian Leader, Resistance Commanders on Elections

PA0303193894 Managua Radio Corporacion in Spanish 2300 GMT 1 Mar 94

[Report by Ernesto Ugarte Calderon; from the "Five O'Clock Sharp" newscast]

[Text] Although Dr. Arnoldo Aleman Lacayo has made promises on the Atlantic Coast, it is very unlikely he will be able to keep them, given the complexity of the economic and social aspects, Brooklyn Rivera, governor of the Northern Atlantic Autonomous Region [RAAN] and leader of the Yatama Indian Movement, has stated. I do not believe in the alliance between Arnoldo Aleman and Steadman Fagoth. Fagoth is unstable, has been going from one extreme to the other, Rivera stated this afternoon at the Supreme Electoral Council office in Metrocentro.

Had we not participated in the vote-counting process on the Atlantic Coast, we would have given the impression of being incompetent. Leading troops is not the same as being political leaders and presenting a political platform. We are not thinking of any political agreements before 1996, Nicaraguan Resistance [RN] Commanders Jose and Johnson have stated.

The Liberal Constitutionalist Party, PLC, is anticipated to be the election winners in the upper and central region and lower valley of Rio Coco, as well as in Siuna sectors one, two, and three. The PLC is expected to follow a similar trend in Halban, Pancazan, and Nueva York neighborhoods in the city of Bluefields. Dr. Mariano Fiallos Oyanguren, Supreme Electoral Council president made the previous statement at a news conference held a few moments ago.

Troops From 3-80 Northern Front Begin Demobilizing

PA0303132394 Managua Radio Nicaragua Network in Spanish 1200 GMT 3 Mar 94

[From the "This Morning" newscast]

[Text] Troops from the rebel 3-80 Northern Front began demobilizing 2 March. An initial group of 100 men will become the guardians of public order in the municipalities of Quilali, Wiwili, Murra, and Jicaro, following an intensive training process that will begin 7 March at the Manauga Police Academy.

The demobilization of a second group of the 3-80 Northern Front is scheduled for 16 March. At that time, another 220 men will demobilize, which, together with the initial group, will add up to 50 percent of the rebel troops.

The last contingent will demobilize on 16 April, at which time the rebel leader, Jose Angel Talavera, alias El Chacal, will also disarm.

Changes Proposed To End FSLN Violence, 'Caudillismo'

94CA0071A Managua EL NUEVO DIARIO in Spanish 4 Feb 94 p 4

[Article by Reinaldo Antonio Tefel]

[Text] If we listen to the language that the political factions of Sandinism and other parties use, we notice right away that they agree on the need to democratize party programs and structures. This is positive because it offers the hope that party unity can be preserved through a convergence around several items in our program. Regrettably, however, three basic divergences underlie the formation of the factions within Sandinism: violence or public spirit, elitism or equality, and single-person leadership or collective, democratically monitored governance.

The first two divergences are reflected in parallel articles by Julio Lopez Campos and Dora Maria Tellez, who are well-known representatives of two factions.

Violence or Public Spirit

Whereas Dora Maria Tellez gives this categorical reply to the journalist's question: "All methods of struggle are valid, except the armed struggle and (of course) every violent form of struggle," Julio Lopez, while ruling out armed struggle as an immediately viable option, says this about violence in the social struggle: "If this is called violence, then we on the left cannot be against it."

We in Nicaragua have been immersed in the subculture of violence, exclusion, and annihilating victory over one's adversaries. For the first time in our history the FSLN [Sandinist National Liberation Front] achieved peaceful change from a ruling political movement to one of a different kind. We are obliged historically and morally to continue the democratic process of dialogue that we ourselves began. Sandinism must annihilate not our adversaries but rather the culture of violence, and we must begin by banishing it from our minds and behavior in public and party life. What happened to the UNO [National Opposition Union] must not happen to us. Because the UNO stubbornly locked itself up in the culture of violence by demanding the overthrow of the government because it failed to annihilate the Sandinists, it disintegrated as an alliance thanks to the good sense of a major segment of its defunct core.

Elitism or Equality

Julio Lopez affirms his faith in democracy, only to contradict himself later by upholding the elitism that has crippled and destroyed so many revolutions. In this regard he says: "But our party cannot be a party in which all members are equals. We must acknowledge the merits

of the unselfish and self-sacrificing." I ask myself: Who will decide who is unselfish and self-sacrificing? Only the people, through transparent elections, can so decide.

Dora Maria is categorical once again in describing the democratic nature of the FSLN: "...eliminate the categories of affiliate and activist and leave a single one for all: member." Without at least relative equality there can be no democracy. Major political, economic, social, and cultural differences often prevent true democracy, or at least hamper it. Can a democratic-revolutionary party build elitism into its party structures? Would it be truly democratic? Would it be truly revolutionary?

Single-Person, Authoritarian or Collective, Democratic Leadership

On this point I am no longer talking about the two aforementioned articles but rather about the entire Sandinist political debate and actual events, inasmuch as the proponents of the first approach are not very explicit.

We all agree that the National Directorate (DN) has already played its historic role; it even accepts a change of name. Nonetheless, there is a well-organized movement to transfer the pre-eminent position and powers that the DN had to a specific post: secretary general. The argument then runs that this individual must be elected directly by the Congress in order to strengthen the post and raise it above the collective leadership bodies. Although it is not being said expressly within Nicaragua's presidentialist, caudillo-dominated political atmosphere, this would mean creating a single-person, authoritarian leadership as an organizational fact. Underlying this approach is the mistaken belief that revolution is synonymous with authoritarianism, that strongly autocratic leadership is needed.

This belief is at odds with history, because authoritarianism or caudillismo swamps a revolution. The French Revolution lost its democratic, republican direction with Bonapartism, and the Russian Revolution bureaucratized socialism and blinded democracy with Stalinism.

This is why many of us have called for a collective, democratic leadership: the Sandinist Assembly, with its own Governing Board, as the highest legislative body, representing the Congress, and the 25-member Sandinist National Council as the executive body that reports periodically to the Sandinist Assembly. In order to aid the functioning of the National Council, which will meet monthly, it will elect from among its members a Standing or Executive Commission of seven national secretaries who will report monthly to the National Council. The first of these secretaries will, of course, be the secretary general or political secretary, who will have important, specific functions but not predominant ones, and will not be above the other party structures. This will ensure truly effective and democratic operations and leadership, inasmuch as the Standing Commission can be responsive and dynamic and, at the same time, will be overseen by the National Council under which it functions and of which it is a part.

We must remember that for many years the FSLN boasted of having a collective leadership. Although it was a top-down leadership, it did not consist of a single individual. We must develop and bring up to date the positive aspects of Sandinist history and denounce our own mistakes. Only in this way will we be able to become the democratic party of the great majority of the Nicaraguan people.

31 January 1994

APT Sector Defined

94CA0071B Managua BARRICADA in Spanish 4 Feb 94 p 4

[Excerpts] The Workers Property Area, known as APT, is barely off the ground but is already making itself felt in the economy because of the influence that it has in certain areas, mainly agriculture and livestock.

Most of the enterprises that make up the APT today were sold to the workers or leased to them with promises that they would be sold. They were in deplorable financial condition, however, and their equipment and facilities were clearly run down.

In many cases the workers have sought domestic and foreign partners, while in others they are facing serious financial difficulties since they cannot get loans because they do not yet have documents legitimizing their ownership. [passage omitted]

Organization and Management in the APT

Definition and nature of the APT: There is no totally accepted, widely discussed definition of the APT yet. There are only interpretations based on the economic and social "Consensus Accords" that have emerged from the privatization of state-run enterprises that has been going on since 1991 and on the organizational process in which these enterprises now find themselves.

The following definition has been drafted with the aim of stimulating discussion that will lead to consensus on a clear, precise meaning of the term.

APT is understood to mean "the group of enterprises in which, under their system of ownership, the workers participate as shareholders (majority or minority), thus forming a new grass-roots economic sector based on the struggles of the working class and their trade-union grievances relating to the social ownership of the state-run sector created by the Sandinist People's Revolution."

The enterprises of the APT have been established as corporations under the national legal system. Owing to their origin, their goal is collective profits, which differentiates them from traditional private enterprise.

The following are some of the differences and similarities that have been identified:

Traditional Private Enterprise

- One or several partners—Goal: profits
- Partners investing capital
- Heavily dependent on bank loans
- Some degree of union activity
- Wage-earning employees
- Considerable managerial capability
- Marketing experience
- Individual profits
- Labor/management relations
- Economic and financial plans

APT Enterprise

- Many worker partners—Goal: profits
- Partners investing capital
- Heavily dependent on bank loans
- Union self-management
- Wage-earning employees and owners
- Basic managerial capability
- Little marketing experience
- Collective profits
- Partner/worker relations
- Socioeconomic plans

What type of partners are there in the APT?

The law permits different categories of shares, establishing differences between partners in accordance with what kind of shares they hold.

Some Labor Corporations (14) have specified in their constitutions and bylaws that all shares are registered. They have, however, established another category that takes into account the labor relationship between the enterprise and the partner. There are thus two kinds of shares: "A" and "B."

—Type A shares are all those that are in the possession of partners who are working in the enterprise. Type B shares are those that are in the possession of partners who chose not to continue working in their enterprise.

—The rights of partners vary according to the type of share (A or B) they hold. Partners with type A shares will be entitled to vote at meetings. Partners with type B shares have the right to attend and speak at meetings but cannot vote, and other restrictions on the exercise of the right arise from this. Partners with type B shares may not hold any managerial post in the enterprise.

—The two types of shares confer equal rights in the distribution of profits.

In other enterprises in the APT there is no difference between partners, regardless of whether they are working or not; thus, they have equal rights at meetings (to speak up and vote), the same right to seek administrative posts, and an equal share in profits.

If a worker is an owner in an enterprise, can he be fired? What happens then?

In the case of APT enterprises, shareholder rights do not guarantee a permanent job, inasmuch as this depends on the efficiency and responsibility of each worker. People must realize that jobs cannot be guaranteed to the detriment of the enterprise's finances.

Ultimately, a worker's job will depend on the enterprise's economic potential and the effective use of manpower. An owner/worker can be justifiably dismissed in order to safeguard the profitability and production efficiency of the enterprise and to protect collective assets.

Nevertheless, a worker who is fired or decides to leave the enterprise retains all his rights as a shareholder.

Dismissal should be the last resort, inasmuch as an enterprise has several ways of helping its worker/partners and a wide range of options for their direct employment. The following are some options that both agricultural and industrial enterprises have tried:

—Rotation of work shifts
—Work on credit
—Lowering wages

The following can be regarded as options for indirect employment in the event of payroll cuts in the agricultural, industrial, or services sector:

—Work on family parcels
—Temporary harvest work
—Work as a distributor, commission agent, or salesperson in one's hometown
—Others

The Initial Capital of APT Enterprises

The agricultural and industrial APT enterprises were created by Presidential Resolution No. 109-91 (see Cuaderno No. 10, Annex 3 of Cipres [Center for Sociological Research]). The first to win contracts with Cornap [National Corporation of the Public Sector] were the agricultural enterprises, which negotiated resources from the state-run corporations Agroexco, Hatonic, Cafenic, Bananic [Nicaraguan Banana Enterprise], Nicarroz, and Trabanic.

An initial group of industrial and services enterprises concluded negotiations in early 1993 and acquired enterprises from the COIP [People's Industrial Corporation], Conilac, Corcop [People's Commercial Corporation], Cotur, and other agencies.

The initial capital of the APT enterprises is the capital that the state-run enterprises had at the time of the negotiations; it consists of land, plantations, machinery, and other resources and was acquired under lease and purchase contracts with the owner (the State).

Extracts from Cuaderno 15 of Cipres

Panama

Jury Declares Noriega, Former Officer Guilty of Murder

PA0403045894 Panama City ACAN in Spanish 0427 GMT 4 Mar 94

[Excerpt] Panama City, 3 Mar (ACAN-EFE)—On 2 March, a jury declared former General Manuel Antonio Noriega and a former officer of the extinct Panama Defense Forces [FDP] guilty of the murder of Major Moises Giroldi, who headed a "military coup" in October 1989 against the former "strongman" of Panama. The jury ruled that Noriega, who was toppled by the U.S. Army in December 1989 and is serving a 40-year sentence for drug trafficking, was the instigator of Giroldi's murder. The judicial file stated that on 4 October Giroldi was shot 15 times in the back on the patio of the extinct FDP headquarters.

Former Major Heraclides Sucre was also found guilty of murder. He was the actual perpetrator of the murder and was tried in absentia. The jury acquitted the other three remaining defendants in the case: former Captains Ramon Diaz, (who was also charged with actually committing the murder), and Camilo Vega and former Mayor Lucinio Miranda, who were tried for complicity in the crime. [passage omitted]

Poll Shows Candidates Perez, Carles Leading

PA0303232694 Panama City LA PRENSA in Spanish 2 Mar 94 p 1A

[Report by Orlando Mendieta C.]

[Text] A poll requested by LA PRENSA and conducted by the Dichter & Neira consulting company has revealed that presidential candidates Ernesto Perez Balladares, who garnered the support of 37.3 of those polled, and Ruben Dario Carles, with 20.5 percent of those polled, have the largest number of followers in their bid for the presidency of Panama.

The survey was conducted nationwide, and 1,753 people were polled from 25 to 27 February. This is the first poll conducted since 8 February when the Electoral Tribunal closed the registration period for candidates to elective office. According to the poll, Perez Balladares continues to be the favorite candidate, with his support increasing by 5 percent. The poll revealed that if the elections were held today, 37.3 percent of the people would vote for Perez Balladares. This reflects an increase in the number of followers of the PRD [Democratic Revolutionary Party] candidate. He registered a 32.1 percent popularity rate in the last poll taken on 27 January.

Meanwhile, Ruben Carles, presidential candidate for Molirena [Nationalist Republican Liberal Movement], Morena [National Renewal Movement], and Civic Renewal parties, came in second place with 20.5 percent. Carles' popularity rate rose 7.3 percent from the previous poll, in which he placed third with 13.2 percent of the votes.

Ruben Blades, Papa Egoro Movement's presidential candidate, suffered the largest decrease in popularity in this poll by registering only a 9.9 percent popularity rate, which placed him third among the candidates chosen to win the 8 May election. Blades registered 18.9 percent in late January.

As for the other presidential candidates, the poll showed, in descending order, that Mireya de Gruber of the Arnulfist Party registered 8.1 percent, Eduardo Vallarino of the Christian Democratic Party (PDC) registered 3 percent, Samuel Lewis Galindo of Solidarity Party registered 2.8 percent, and Jose Salvador Munoz of the Doctrinaire Panamenist Party registered 0.2 percent. Compared to the previous poll, Gruber's popularity rating decreased by 1.7 percent. Vallarino, meanwhile, in his first appearance in a poll showed a 3-percent popularity rate, which is lower than the 4 percent that his fellow party member Ricardo Arias Calderon registered before withdrawing his candidacy due to health problems. As for Lewis Galindo, his popularity increased by 2 percent, while Munoz appeared for the first time in the voters' preference list.

Endara, Costa Rican President Discuss Bilateral Topics

PA0403013794 Panama City Circuito RPC Television in Spanish 2300 GMT 2 Mar 94

[Report by Alexandra Ciniglio from the "RPC Television News" newscast]

[Text] Costa Rican President Rafael Angel Calderon met with President Guillermo Endara this morning to discuss several topics, including banana export problems. Amid tight security, a protocol ceremony was held at the stairs of the Presidency of the Republic to receive the Costa Rican president. The republican band played both national anthems to welcome Rafael Angel Calderon Fournier.

[Begin Calderon recording] We are both ending our respective terms. Currently, relations between Panama and Costa Rica are excellent and this is how they should always be between two fraternal countries. We are going to talk a bit about our bilateral relations and the banana situation which is so important for both countries, including the struggle in which all the Latin American banana-producing countries are engaged. [end recording]

Later the Panamanian president awarded Calderon the Manuel Amador Guerrera Order. In the presence of all his ministers Guillermo Endara recognized the neighboring country's support for Panama. President Calderon Fournier awarded the Panamanian president the Juan Mora Fernandez Order, represented by a gold plaque. Presenting Endara with the award, Calderon

highlighted the role played by the president in the struggle against the military dictatorship.

Roundup of Electoral Developments

PA0303215894

[Editorial Report] The following is a compilation of reports on developments relating to the Panamanian elections scheduled for 8 May.

Ruben Dario Carles, "Change 94" presidential candidate, travelled to Colombia where he met with Colombian President Cesar Gaviria to discuss economic issues that will "undoubtedly" benefit the socioeconomic development of Panama. On this occasion, Carles also met with Argentina's President Carlos Menem, who was also visiting Colombia. (Panama City EL SIGLO in Spanish 25 Feb 94 pp 16, 17)

Carles told LA ESTRELLA DE PANAMA that if he is elected president on 8 May, he will send a delegation to Washington on 9 May to renegotiate the U.S. military presence in exchange for economic benefits. Carles accused the Democratic Revolutionary Party, PRD, of "waging a friendly opposition campaign against the government." (Panama City LA ESTRELLA DE PANAMA in Spanish 28 Feb 94 p A1)

"Change 94" presidential candidate Carles said once he is elected president, he will organize a commission to promote investments and the creation of jobs. "This commission will be placed directly under the president and will be composed of representatives from business groups, worker associations, and the government. All investment projects will be presented to them." (Panama City Circuito RPC Television in Spanish 2300 GMT 1 Mar 94)

Yesterday, Mireya Gruber, Arnulfist Party presidential candidate, said that just because a party member meets with an official of a former regime does not mean her party wants to negotiate with the military. With regard to presidential candidate Carles' interest in talking to the military, she limited herself to saying: "I imagine that as a politician he will want to talk to all sectors." (Panama City LA PRENSA in Spanish 26 Feb 94 p 5A)

Fernando Manfredo, Papa Egoro vice presidential candidate, denied rumors of disagreement with the party's presidential candidate Ruben Blades, as has been rumored in political circles. Manfredo said: "The voters appear somewhat cynical; they are not impressed by those demagogic speeches and false promises. I think this is the current campaign's tendency." (Panama City Circuito RPC Television in Spanish 2300 GMT 23 Feb 94)

Yesterday, PRD candidate Ernesto Perez Balladares returned from his trip to the United States, where he met with U.S. investors. Perez Balladares told the media upon his arrival that he had met with the board of directors of the NEW YORK TIMES and THE MIAMI HERALD, and contacted the Latin Chamber of Commerce and the Miami mayor. Perez Balladares said: "We established ties to work jointly in possible investments and trade exchanges starting 1 September." (Panama City Circuito RPC Television in Spanish 2300 GMT 23 Feb 94)

Perez Balladares said that if he wins the May elections he will not grant amnesty nor pardon former civilian and military collaborators of the former regime, if they have been found guilty of committing a crime and sentenced. (Panama City LA PRENSA in Spanish 25 Feb 94 p 1A)

Perez Balladres travelled to Mexico City to meet with Luis Donaldo Colosio, Institutional Revolutionary Party candidate. Perez Balladares said: "Had I been president, I would have investigated more thoroughly General Torrijos' death." (Panama City LA ESTRELLA DE PANAMA in Spanish 26 Feb 94 p 1)

Perez Balladares thinks candidate Carles' offer to solve the nation's main problem in 100 days "is an insult to the Panamanian people's intelligence." In statements to LA ESTRELLA DE PANAMA, Perez Balladares said it was "very irresponsible" to request that U.S. military bases remain after 2000. (Panama City LA ESTRELLA DE PANAMA in Spanish 28 Feb 94 p A1)

Presidential candidate Samuel Lewis Galindo of the National Consensus Alliance called "irresponsible" statements by former Health Minister Guillermo Rolla Pimental, who said money used by breweries and the PRD in political campaigns are generated by money laundering and drug trafficking." (Panama City LA ESTRELLA DE PANAMA in Spanish 26 Feb 94 p 1)

Although the most recent polls do not favor candidate Lewis Galindo, yesterday he admitted he does believe in this type of information. In addition, he criticized presidential candidate Carles for not "adequately managing" the public debt when he was comptroller general. (Panama City LA ESTRELLA DE PANAMA in Spanish 26 Feb 94 p A1)

Lewis Galindo told LA ESTRELLA DE PANAMA that military bases must not be offered to the United States if they do not ask for them because "one must maintain one's dignity. The public must be consulted" regarding any proposal on this issue, said Lewis. (Panama City, LA ESTRELLA DE PANAMA in Spanish 28 Feb 94 p A1)

On 25 February Lewis Galindo presented his state modernization program. He hopes to improve the nation's public administration with the program. Lewis Galindo said: "We must put our house in order. Those who think that because they have personal contacts and relationships, they can obtain funds and credits are making a serious error and are mistaken. Until we have a modern, flexible state that does not hinder local investors, much less foreign investors, we will not achieve anything." (Panama City Telemetro Television Network in Spanish 1730 GMT 28 Feb 94)

Four of the seven Panamanian presidential candidates participated in the inauguration of CADE 94, the Annual Conference of Business Executives, today in Bambito, Chiriqui province under the slogan, Concrete Alternatives for Development of the Western Part of the Nation, that is, Chiriqui and Bocas del Toro. Ruben Dario Carles, "Change 94" candidate, denied accusations that he had paid international financial institutions. Samuel Lewis Galindo, National Consensus Alliance candidate; Eduardo Vallarino, Christian Democratic Party candidate; and Ernesto Perez Balladares, PRD candidate, spoke in the afternoon. Mireya de Gruber, Arnulfist Candidate; Ruben Blades, Papa Egoro candidate; and Salvador Munoz, Panamenist Doctrinate Party candidate, sent messages saying they would not participate in the conference. (Panama City Circuito RPC Television in Spanish 1730 GMT 26 Feb 94)

Electoral Tribunal President Guillermo Marquez estimates that between 350,000 to 375,000 voters will not go to the polls on 8 May. Recent polls indicate that 20 to 25 percent of the voters will not vote. Marquez indicated that 40 to 50 international observers will be present at the 8 May elections. (Panama City LA ESTRELLA DE PANAMA in Spanish 1 Mar 94 p 1)

Argentina

U.S. Ambassador Guarded During 'Violent Clashes'

PY0303150094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0119 GMT 3 Mar 94

[Excerpts] Buenos Aires, 2 Mar (NA)—The 100th retirees' demonstration ended on 2 March with violent clashes between leftist group members and police who responded violently after being stoned for about 30 minutes, with an initial toll of about 50 people injured, including more than 20 police officers.

The demonstration, which started outside Congress and ended outside Government House, was carried out during President Carlos Menem's official visit to Spain.

About 30 people were detained during the violent incidents and taken to various police precincts, especially Buenos Aires' 2d Police Precinct.

While more than 20 police officers, including seven women, were treated at Churruca Hospital, UCR [Radical Civic Union] legislators reported that UCR members had been carried to the Ramos Mejia Hospital where they are convalescing from the injuries they suffered "during the repression."

The situation became very unclear and dramatic when a group of demonstrators reported that a 15-year-old suffered serious injuries in a clash with the forces of order.

Miguel Zarate, a Permanent Plenary of Retirees Organizations [Plenario Permanente de Organizaciones de Jubilados] leader and the only speaker at the demonstration, pointed out that there would be "thousands of Wednesdays more until this program that intends to ruin workers and retirees is defeated."

After championing the apportioned social security system "that was established more than 90 years ago," Zarate asked the political parties and the trade unions that supported the demonstration "to join the retirees in their struggle to defeat this economic program and abolish the private retirement system until the people's final victory is achieved." [passage omitted]

Earlier, a group of demonstrators had burned a U.S. flag at the intersection of Hipolito Yrigoyen and Balcarce Streets.

Afterward, a large number of blunt objects were hurled at police cordons deployed outside Government House. The cordons comprised about 200 police, including men and women.

During these violent and unclear incidents, Plaza Lavalle Retirees [Jubilados de Plaza Lavalle] leader Norma Pla threw a burning placard that had been lying on the ground near a barricade at police.

Burning placards, pieces of floor tiles, sticks, stones, and all kinds of blunt objects were hurled at the security forces, who tried to protect themselves from the attack.

For about 30 minutes, police deployed outside Government House resisted the attack while about 50 police officers ran to equip themselves with plastic shields.

Meanwhile, a group of police, wielding teargas launchers, was deployed against the demonstrators.

Journalists, some of whom were hit by the blunt objects hurled by the members of leftist parties, were caught in the middle of the clashes and sought shelter behind a Channel 13 mobile unit.

In the middle of the incidents, U.S. Ambassador James Cheek entered Government House through the esplanade on Rivadavia Street. He was quickly surrounded by police to protect him from the blunt objects.

During the attack, five police officers, including a woman, were hit by the blunt objects hurled by the demonstrators and collapsed.

Meanwhile, people were running all over the square, trying to escape from the incidents and from the effect of the tear gas that began to fall on the troublemakers.

With their eyes covered with handkerchiefs, sweaters, and T-shirts, those who caused the incidents constantly charged police to hurl the blunt objects with more violence.

When the group that caused the disturbances began to leave Government House, the police forces unleashed a violent repression, charging with nightsticks and tear gas against the demonstrators who were dispersed in every direction.

Under intense teargas fire, police pursued the demonstrators on Defensa Street until reaching Hipolito Yrigoyen Street, where several demonstrators were detained. [passage omitted]

Roundup of Economic Reports

PY04C3034794

[Editorial Report] The following is a compilation of reports on economic activities in Argentina monitored through 3 March.

Argentina registered a record production of gold and silver in 1993 with the exploitation of the Agua de Dionisio reserves in Catamarca Province. A total of 605 kg of gold and 6,800 kg of silver were mined in 1993, as compared with 1992 when 406 kg of gold and 5,617 kg of silver were produced. (Buenos Aires NOTICIAS ARGENTINAS in Spanish 0024 GMT 3 Mar 94)

The consumer price index was 0 percent, and the wholesale price index registered a 0.2 percent decrease in February. Economic Program Secretary Juan Llach said that February inflation was similar to that reported in December. He said that retail prices had increased 5.9 percent and wholesale prices 1.7 percent over the past 12 months. (Buenos Aires NOTICIAS ARGENTINAS in Spanish 1701 GMT 3 Mar 94)

Aerolineas Argentinas, Malaysia Airlines, and the South African Flitestar airline have signed an agreement on the opening of the first route linking Argentina, South Africa, and southeastern Asia. The new route will be inaugurated on 27 March. (Buenos Aires NOTICIAS ARGENTINAS in Spanish 1423 GMT 3 Mar 94)

Bolivia

Strike To Protest Budget Takes Effect

PY0303152094 La Paz Radio Fides Network in Spanish 1100 GMT 3 Mar 94

[Excerpts] La Paz, Beni, and Pando are affected by a 24-hour civic strike today. [passage omitted]

Government drivers have turned off their vehicles' engines to join the 24-hour strike organized by the Pro-La Paz Civic Committee. [passage omitted]

Humberto Ochoa, leader of the La Paz Labor Union Federation, announced that the strike will be total, that it will be observed by workers, teachers, and school and university students:

[Begin Ochoa recording] All the La Paz Civic Committee members have decided to hold a 24-hour strike to protest the fact that the construction of the Cotapata-Santa Barbara Highway has not been awarded to any construction company yet; the La Paz Department budget, which includes university and city hall budgets; and the Bolivian budget as a whole. This is why we have decided to stage a 24-hour strike with all the members of the aforementioned organizations. [end recording]

Although the National Highways Service awarded the construction of the Cotapata-Santa Barbara highway to the Brazilian construction company Andrade e Gutierrez on 2 March, the 24-hour strike started at 0000 today. [passage omitted]

According to information from El Alto International Airport, all flights to the interior have been interrupted. As for international flights, only Aerolineas Argentinas has been authorized for the landing of a flight from Buenos Aires at 0945. The same aircraft will leave for Buenos Aires at 1030.

The bus terminal is closed although it was disclosed that buses arrived normally from the interior at dawn today. The terminal gates now, however, are locked. [passage omitted]

Brazil

Parties' Positions on Constituent Congress Issues

PY0303142194 Rio de Janeiro O GLOBO in Portuguese 23 Feb 94 p 3

[Text] Here are the main political parties' positions regarding economic issues at the Constituent Congress:

PFL [Liberal Front Party]

Monopolies: It upholds the elimination of all monopolies (oil, telecommunications, mining, etc.).
Foreign capital: It is all for allowing the participation of foreign capital in every economic sector under the same terms granted to national enterprises.
Social security: The party wants to democratize the workers' right to choose between a private and public social security system.
Land reform: It wants to keep the Constitution's text on the subject unchanged.
FSE [Social Emergency Fund]: It votes in favor as long as the government commits itself to making further revisions of the constitutional provisions regarding economic issues.

PMDB [Brazilian Democratic Movement Party]

Monopolies: The party is divided regarding the elimination of monopolies. There is no consensus on this issue.
Foreign capital: It upholds an open-door policy for foreign capital in some sectors but, here again, there is no consensus on what sector should be opened to foreign capital.
Social Security: The same as the government, it proposes eliminating special pensions and pensions for years of service.
Land reform: For the time being it does not want to alter the Constitution's text on this issue.
FSE: It votes in favor.

PPR [Progressive Renewal Party]

Monopolies: It upholds eliminating all monopolies except for mining. Regarding that, it wants to maintain state control over mining but expand private participation in concessions.
Foreign capital: It wants to eliminate the differences established in the Constitution between foreign and national capital enterprises.
Social Security: The party is divided over this issue. Some believe the state should be responsible for payment benefits up to a certain amount; others favor its complete privatization. The two views uphold the elimination of privileges, that is, special pensions.
Land reform: Maintain the Constitution's current text.
FSE: It votes in favor with the exception that it does not want housing and education funds to be included in the FSE.

PSDB [Brazilian Social Democracy Party]

Monopolies: It proposes eliminating only some monopolies such as the telecommunications monopoly.
Foreign capital: It upholds eliminating the difference established between foreign and national capital enterprises.
Social security: It upholds the government position: Eliminate special pensions and pensions for years of service. The government will be responsible for a certain amount and whoever wants more will have to pay more.
Land reform: Maintain the Constitution's text unaltered.

FSE: It votes in favor

PT [Labor Party]

Monopolies: It is against eliminating any monopoly, especially oil and telecommunications.
Foreign capital: It is against the entry of foreign capital.
Social Security: It upholds the elimination of special pensions and is against its privatization.
Land reform: It wants to change the concept of latifundia in the Constitution to affect unproductive properties currently immune to land reform.
FSE: It is in favor of not including education and housing funds in the FSE.

Finance Minister Will Not Run for President

PY0303142394 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 3 Mar 94

[Text] Inocencio Oliveira, president of the Chamber of Deputies, has launched the candidacy of Luiz Eduardo Magalhaes, PFL [Liberal Front Party] bloc leader in the lower house, for the vice presidency of the Republic. The ticket will be headed by Finance Minister Fernando Henrique Cardoso.

Oliveira believes this ticket is invincible and Fernando Henrique is the most appropriate candidate for the presidency.

Finance Minister Cardoso said that no matter what pressure the PSDB [Brazilian Social Democracy Party] exerts, he is not going to run for the presidency of the Republic in this year's elections.

According to Cardoso, there are other more suitable party leaders to run for the presidency such as former Ceara Governor Tasso Jereissati or Senator Mario Covas.

Cardoso said he has a commitment to lower inflation and that he will only leave the Finance Ministry if Congress does not approve the economic plan.

Workers Party President Lula Interviewed

PY0203202094 Rio de Janeiro O GLOBO in Portuguese 27 Feb 94 p 3

[Interview with Workers Party, PT, President Luis Inacio Lula da Silva by Jose Luiz Luongo, "on a bus on the way to Lages" on 24 February]

[Text] [Luongo] Do you believe you are prepared to govern Brazil?

[Lula] I am convinced I have the best preparation for promoting the deep changes the country needs. No candidate of the elites knows the country as well as I. This is why they have all failed. Through my tours I have seen the real Brazil and I can decide what is good or bad for the people. I am also free of the lobbies and the boot lickers who usually surround the president.

[Luongo] You have preached a capitalist program for the rural sector. Are you abandoning the Socialism preached by the PT?

[Lula] The PT program never had a Socialist approach. Since the meeting of February 1993 we managed to separate the Socialist utopia from the strategic program and from the government program.

[Luongo] What is your interpretation of the moratorium in the new program of the party?

[Lula] The principle of government-to-government political renegotiation has prevailed.

[Luongo] You know there are predominant sectors within the PT that do not agree with a non-Socialist program of government. How will you manage to govern with that internal pressure?

[Lula] Within the PT there are atheists, Christians, Marxists, and metal workers like me. It does not matter what individuals think, the final result is important. The final product is a feasible program that can enable us to govern.

[Luongo] Are you a Socialist?

[Lula] I carry no stamp on my forehead. I only want to solve the problems of this country. The elite, who are incompetent and who have failed, have only resolved their own problems.

[Luongo] Will you resolve problems with or without the party?

[Lula] The party is an instrument that I will not discard. The PT is a very important party for Brazilian society, but because of that everyone wants to divide it. If it were like the others it would not be a party, it would be a dog-eat-dog situation, a mountain of electoral interests.

[Luongo] At times of impasse, does the party president not have the decisive vote? Is it not wrong to avoid making a decision?

[Lula] I may or may not vote. If you were a member of a union you would understand that casting a vote is not always the role of a president. Ulysses Guimaraes was a Constituent Assembly member for four years, but he did not vote one single time. Both at PT and the union level, I have discarded the decisive vote.

[Luongo] How will you isolate the more radical positions?

[Lula] The strategy seeks to make public the debate of my program with society.

[Luongo] The most controversial PT issues have created deadlocks recently. Does that show the party is divided about what is best for society?

[Lula] All this is deception. There is one concrete factor within the PT: We are an essentially democratic party.

During the past 13 years, I have been faithful to my decision of only getting involved when I believe the situation is extremely serious. When this occurs, I discuss the issue with my fellow party members. Sometimes I convince them, other times they convince me. I do not behave dictatorially.

[Luongo] Does the party leadership give you orders?

[Lula] No, in the last 13 years, the PT leadership never thought of giving orders to anyone. It has been trying to solve things in the most democratic way possible and consensus has always prevailed. This has been the logic of the party. Obviously, when a decision is voted on, someone ends up dissatisfied.

[Luongo] Will Lula govern with the entrepreneurs?

[Lula] I am not concerned about the entrepreneurs. I am concerned about 150 million Brazilians. We want to implement a program: Those who want to comply with the program may do so; those who do not may go their own way.

[Luongo] Do you not fear being isolated by governing directly with the people and avoiding support for the entrepreneurial area?

[Lula] I do not know if the elites will remain outside the program. I believe entrepreneurs want to solve the problems of this country, and that they will calmly participate in the process, be it through Congress or their area organizations. That is no problem.

[Luongo] Bahia Governor Antonio Carlos Magalhaes says no one should fear Lula, although the PT must be feared.

[Lula] This is sheer stupidity. I represent my party's thoughts. I am faithful to the party's decisions and I trust it. Whenever necessary, there is consensus within the PT. I believe society should fear [Antonio Carlos] Magalhaes' party [Liberal Front Party, PFL] because many of its members are involved in corruption. We should also fear [Orestes] Quercia's party [Brazilian Democratic Movement Party, PMDB] because many of its members are involved in corruption too. We should fear [Paulo] Maluf's party [Progressive Renewal Party, PPR], because many of its members are also involved in corruption. But to fear the PT? People should thank the Lord for a party like the PT that wants to moralize Brazilian society.

[Luongo] Is the Lula government threatened by paralysis because of internal disagreements?

[Lula] I will not make all decisions during party meetings, and the party is aware of it. We have held and are still holding municipal governments in major capitals. The party does not become involved in routine government activities. The party designs a government program, which is the foundation for victory in a presidential election. From then on, the president implements the program. The party will pressure the president if he fails to implement the program that was agreed upon with society.

[Luongo] Some candidacies have already been formally proclaimed, like that of former Sao Paulo Governor Orestes Quercia.

[Lula] Some candidacies, like that of Quercia, have no chance whatsoever. A man who orders investigations into his own fellow party members, doing things not even the Gestapo would have done, does not deserve the Brazilian people's vote. Yet his candidacy can favor my campaign.

[Luongo] What is the greatest difficulty facing your campaign?

[Lula] I prefer polarization, because it does not permit a third candidacy. Whoever runs as a third candidate will be filling in the sandwich.

[Luongo] You said you want to win the election in the first round. Are you afraid of the situation deteriorating in a runoff?

[Lula] My risk is not that my adversaries agree on an anti-Lula candidacy in a runoff. My problem is that a presidential campaign is extremely expensive. I must admit that winning in the first round is not an easy task. A runoff election is a new game that begins from scratch and anything can happen. Obviously, if the entire rightist sector unites against the PT, everything will be more difficult. But I believe they will not unite because the PFL does not mix with the PPR, and because the PSDB [Brazilian Social Democracy Party] will not form an alliance with the PMDB.

[Luongo] Have you discarded a nationwide alliance with the PSDB in the first round?

[Lula] It is not the PT but the PSDB which has discarded this alliance. I want this alliance because the PSDB is a party with which we have affinities and which has fine people.

[Luongo] What would the PT give in exchange for this alliance? The Sao Paulo State government?

[Lula] It is not a matter of giving and taking. I can only mention what would have been agreed if they had been willing to talk. It is very difficult for me to say whether Rio de Janeiro or Sao Paulo could be used as key factors. First we must talk and learn what they want.

[Luongo] Will the explicit links between the PT and the CUT [Sole Workers Center] harm your candidacy?

[Lula] No way. Any party supported by a strongly organized national labor union should not give up this advantage.

[Luongo] What about the disputes within CUT-member unions that sometimes end in death?

[Lula] The assassination of the Santo Andre Drivers Union president was exploited politically. But it was to no avail because there was no evidence to support the charges. Sooner or later the political use of the affair would have been uncovered anyway.

[Luongo] Are you against Minister Cardoso's economic plan?

[Lula] I have serious reservations. It has a neoliberal tint and it has private interests in mind. This combination already failed during the past government. It will cause new difficulties for workers because salaries will be adjusted by an average while prices will retain their peak value because the economic agents will have already taken preventive measures before the announcement. Workers salaries might lose 30 percent of their purchasing power right off.

[Luongo] You do not accept any kind of privatization, do you?

[Lula] I am against the way entrepreneurs understand privatization. They only want to buy existing and profitable companies. Even the PT would like to administer the toll of the Via-Dutra highway, for instance. Why do they not organize a pool [preceding word in English] and start building new roads in areas where they are needed to take products out? They do not want to build new power plants to produce electricity. They want to get their hands on those that are already producing. The problem facing the state is to obtain resources for new projects, not for existing ones. The PSDB is contradictory in this respect. They support privatization yet accept people like Aureliano Chaves who symbolizes just the opposite way of thinking.

U.S. Decision on Intellectual Rights Issue Praised

PY0203144194 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Feb 94 Section 1 p 9

[Article by Eduardo Lins da Silva]

[Text] Mickey Kantor, the official in charge of U.S. foreign trade, today announced that his government has decided to end the investigations it was making on the preservation of intellectual property rights in Brazil, and to impose no commercial sanctions on our country. "I commend the Brazilian Government for its steady progress," Kantor said.

Brazilian diplomats interpreted the decision by Kantor, who is directly subordinate to President Bill Clinton, as a desire by the current U.S. Government to make a gesture of goodwill toward Brazil. In this case, Kantor's attitude is different from the position he adopted toward other countries, like Japan, in recent similar cases.

In exclusive statements to FOLHA, Brazilian Ambassador to the United States Paulo Tarso Flecha de Lima said the announcement by Kantor "strengthens the idea that the Uruguay Round of GATT talks is a major victory for all those who promote commerce on the basis of the healthy principles of free competition."

The Uruguay Round is a world trade agreement reached in Geneva in 1993 after seven years of negotiations. Brazil and the United States will be among the countries that will sign it in April. The Brazilian Government previously had demanded that the United States resolve their differences over the intellectual property rights issue in the agreement.

The decision by Kantor is a major victory for Brazilian diplomacy. Ambassador Flecha de Lima obtained support for Brazil from various U.S. enterprises with assets in Brazil.

Senators and the government of West Virginia also pressured the White House because that U.S. state wants to increase its coal exports to Brazil.

The Brazil-U.S. Chambers of Commerce in Rio de Janeiro and Sao Paulo were divided over the issue and did not support the Brazilian Government. This attitude irritated Itamaraty and Planalto Palace.

The Clinton government has reacted very harshly against its partners in commercial disputes, as happened with Japan. Ten days ago, prospects were that Brazil would receive similar treatment.

Acting Foreign Minister Roberto Abdenur on 25 February hailed the announcement and the end of the threat of commercial sanctions, which would have been imposed because of Congress' delay in approving the patent law. According to Abdenur, negotiations were successful and Brazilian interests were preserved.

He said there were 10 months of conversations and five months of negotiations. "The result reflects the progress Brazil has made in the area of intellectual property rights," he added.

Under the terms of the agreement, Brazil promised to approve the patent law by June at the latest. The government will submit to Congress amendments that will modify the text of the law approved by the Chamber of Deputies, in the topics that have displeased the United States. The main modification is the end of so-called "parallel importation."

The law approved by the Chamber of Deputies allows any enterprise to import products from any foreign supplier, provided the supplier owns a patent. The government will propose an amendment eliminating the article to allow importation only through traditional suppliers.

Ties With Argentina, Rivalry Over UN Seat Viewed

PY0203194994 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Feb 94 p A3

[Editorial: "Brazil, Argentina, and the United Nations" from the "Notes and Information" page]

[Text] The Argentine defense minister's visit to Brazil could hardly have been more profitable for our bilateral relations. Ambassador Oscar Camilion, who already has represented his country in Brasilia, shed light on some obscure aspects of the manifold relations enjoyed by Brazil and Argentina since former Presidents Jose Sarney and Raul Alfonsin decided it was time to discuss the rivalry between the two countries that had existed for more than one century and that many people deemed an unpleasant—and therefore neglectable—inheritance from the Spanish and Portuguese colonizers. As a result, it has been learned that the recent purchase of 36 A-4 Skyhawk fighter-bomber planes, which the Argentine Air Force wanted equipped with over-the-horizon radars and could not because of British pressure against it, did not alter the Southern Cone's strategic balance. Particularly because Argentina was thus replacing equipment lost during the Falkland Islands War.

This precious bit of information, however, lacked a detail: The Argentine Skyhawks had been lost while producing considerable destruction among the British fleet in 1982 and had not been necessary for 12 years.

This was the good news. The bad news was that Argentina will not support the Brazilian request for an increase in the number of countries with a permanent seat on the UN Security Council and that one of those seats be assigned to Brazil. In Ambassador Camilion's opinion, this is a hypothetical issue and he does not work with hypothesis. This observation raises the theoretical problem of knowing how the Argentine Defense Ministry plans its actions and programs. The idea of expanding the United Nations has been permanently included on the Brazilian diplomatic agenda in the last few years. Whenever appropriate, Itamaraty mentions the subject, puts it under discussion, and presents the Brazilian claim with the required skill. This skill, however, cannot be compared to that of the defense minister of our brotherly country who brushes aside the Brazilian claim and effort and classifies it as a dream simply because the topic has not been included on the UN agenda this session. It may not have been the best way to do it, but it has shown Brazilians what they can expect in the future.

It cannot be said at the Ministries Esplanade that Ambassador Camilion's position caused surprise. A few days before, President Franco had answered President Carlos Menem's letter and supported the Argentine proposal for the establishment of an international body to fight hunger, under UN surveillance. This body would be in charge of UN humanitarian missions, which currently are being conducted by the Blue Helmets. Reading between the lines and remembering the circumstances in which the proposal was originated, however, it became very clear that Argentina was paving the way to present its own candidacy for a permanent UN Security Council seat.

Argentina is playing its own game and no one can complain about that. It would be inadmissibly naive for Brazil to expect Argentina to be grateful, 50 years later, for the firm effort made by Itamaraty to have Buenos Aires accepted in the international organization being created then. In this job, memory is short and only the current interests have value. The past is only used to demonstrate a consistency that fools request from the smart ones when they are disappointed, and the unaware ones boast about as a virtue to hide their own weakness.

Right after Ambassador Oscar Camilion's visit, [Foreign] Minister Celso Amorim left for Germany to return the visit Minister Klaus Kinkel made to Brazil in October 1993. Amorim took the opportunity to present Brazil as a responsible and reliable country that, after approving the Quadripartite Accord on nuclear safeguards, had just eliminated the disadvantages of being included on the notorious "H List" of countries that cannot receive help or sensitive technology from Germany. He did more than that. He confirmed Brazilian support of Germany's claim to become a permanent Security Council member, and thus strengthened the outlines of the proposal known to all, except to Minister Camilion: The leading country in each region would be included in the expanded permanent council. May Brazilian diplomacy firmly continue to seek support for a reform in the UN Charter in terms that will meet our national interests. This objective will be achieved with the explicit recognition of Brazilian regional leadership. In addition to enabling Brazil to show its willingness to act as a link that contributes to the yearned-for harmonious coexistence among nations with different degrees of power—as shown in the UN human rights declaration recently drafted in Geneva—this is the path that will grant Brazil the international political prominence it calls for.

Colombia

Presidential Hopefuls on Fighting Drug Trafficking

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[From the "National Newscast;" speakers identified by caption]

[Text] The International Drug Control Board has pointed out that little or nothing has been done to fight drug trafficking in Colombia. We asked presidential candidates and hopefuls, if elected, how would they confront the problem? How would they fight drug trafficking in the country?

[Begin recording] [Liberal Party presidential hopeful Ernesto Samper] The policy that President Cesar Gaviria has been implementing is the best: demobilizing the drug cartels and subjecting them to the law by offering them a safe prison and a fair trial. Legalizing drugs in Colombia is not viable right now because people might interpret it as granting amnesty to drug trafficking.

[Conservative Party presidential candidate Andres Pastrana] I insist it cannot be legalized. Statistics from the

countries that have legalized drugs or from the U.S. states that have legalized marijuana always show that consumption has increased. This is why I insist on education and prevention programs.

[Liberal Party presidential hopeful Humerto De la Calle] I say we should broaden drug trafficking policies to ensure that developed countries, in particular, become more efficient at controlling consumption, money laundering, precursor chemicals, and weapons. [end recording]

Irregularities Among Prosecutors Investigated

94SM0225A Santa Fe de Bogota EL TIEMPO in Spanish 23 Jan 94 p 23

[Text] A prosecutor obtains an arrest warrant against a mayor upon finding a 15,000-peso discrepancy in an account, and another charges a widow with homicide solely because she did not attend her husband's funeral.

A special prosecutor demands money from the potential targets of his investigation, and others do not attend court proceedings and later allow court orders to be falsified.

Investigations and arrests are overturned because of inconsistencies, as in Adelina Mesa's case, who was accused of a terrorist attack in Bogota, and prosecutors are blamed for inconsistencies in a number of cases.

All these episodes seem to have finally exhausted the patience of Attorney General Carlos Gustavo Arrieta. His staff is now handling 1,200 investigations of prosecutors. In a letter to Prosecutor General Gustavo de Greiff, he revealed the system's Achilles heel: arbitrary actions and negligence on the part of a number of prosecutors.

Arrieta issued a forceful criticism: some prosecutors initiate legal action hastily and without solid evidence, thereby violating the principle of [presumed] innocence and due process.

In his letter, the attorney general announced the immediate start of new investigations because these abuses still persist, even though in May 1993 he had issued warnings concerning these abuses, also in a letter to the prosecutor general.

De Greiff agrees that there are serious irregularities in the work of some of his subordinates, but says they do not reach the extreme cited by the Attorney General's Office.

"We," De Greiff told EL TIEMPO, "do not conceal anything from a sense of esprit de corps; we do not protect people because they are in the Prosecutor General's Office. We are not saints, but we try to be."

During his 18 months at the Prosecutor General's Office, De Greiff has investigated 656 prosecutors in internal procedures. To date 238 investigations have been concluded; 418 are still under way.

Director of Prosecution Offices

The National Director of Prosecution Offices, Ana Montes, who coordinates prosecutors all over the country and whose office maintains statistics on decisions issued by prosecutors acting as trial judges, has her own view of the matter.

Montes agrees that "it is time to look at what is going on," but she explains that many of the complaints are filed when the party affected by a decision calls for a disciplinary or penal investigation against the prosecutor.

Still, the Attorney General's Office believes that the problem goes far beyond that. As an example, they say that prosecutors have been initiating legal proceedings against municipal officials who in the end prove their innocence.

"On many occasions ignorance of administrative contracting provisions and regulations or of budget systems has caused legal action to be initiated and municipal officials to be suspended who later (...) must be returned to office."

"All this," explains the attorney general, "could be avoided if prosecutors studied the situation thoroughly before initiating legal proceedings."

However, De Greiff and Arrieta both seem to agree that the time has come to apply a firm hand.

Paraguay

Wasmosy Gives State of Nation Address

PY0403003094 Asuncion ULTIMA HORA in Spanish 1 Mar 94 pp 8, 11

[Speech by President Juan Carlos Wasmosy before a joint session of Congress in Asuncion on 1 March]

[Excerpts] Honorable congressmen, I come before you, the representatives of the people, to fulfill a constitutional responsibility according to which I must give an account of the executive branch's performance, particularly for the almost 200 days of administration by the government I am honored to preside over.

It is not the first time I have spoken before this honorable Congress. I spoke before it during my inauguration on 15 August 1993 and again on 12 October 1993, that time to offer my solidarity and constitutional and legal guarantees to the honorable senators and deputies who felt threatened by the regrettable incident we are all very well aware of.

First, I will make an analysis of the general state of the nation, making clear the state of the administration I inherited. Then I will talk about specific plans and projects being implemented or that will be implemented

in the near future, full details of which are included in the account and specific area plan.

Guidelines

I have said many times in our country and abroad that the Republic of Paraguay is living—like almost every other Latin American nation—in a new era, the real sense of which must be interpreted in order to stem fears and abort the dangers that sometimes seem to loom threateningly above us and are often encouraged by misunderstanding and impatience.

The euphoria with which we expressed our happiness for the freedoms we won during the government of General Andres Rodriguez—today an illustrious senator for life—and the democracy we are starting to build continue to be accompanied by the negative effects of underdevelopment with its frustrating burden of intolerable poverty and its chronic and suffocating lack of capital investments.

The inequality that characterizes our political, economic, and social structures is the hurdle burdening our creative and productive forces and obstructing and making difficult our access to standards of living more in accordance with our human condition.

However, these same social structures also have given strength to the century-old struggle of our people—and finally helped to victory—against the autocracy that maintained the state of inequalities and our permanent backwardness, and to our struggle against annoying discriminations and irritating privileges.

The path of peoples who never renounced their freedoms and stubbornly fought to develop their democracies has been long and full of hardships. But that path also granted them the tranquility of consolidated institutions, progress earned with hard work and strict and conscious discipline, well-being that is a product of joint efforts, and the participation in its benefits.

That is the road we Paraguayans chose because we are a people who love freedom, because we are a people who want to live in democracy, because we have an unrestrained wish to overcome poverty, and the disposition to work hard to develop our society.

This decision, which is the same adopted by countries seriously determined to face the struggle against poverty, recognizes the need to dismount the old, obsolete, and unfair structures of our present-day society and replace them with structures proper to a modern and essentially humanist society.

The Political Question

We inherited a country used to strong governments, a country that did not know of freedoms and democracy, and was characterized by distorted institutions, administrative negligence, and extended corruption in an obscure period of inquisition, our own so-recent middle ages.

But we also inherited the commitments to build the Paraguay of tomorrow that we are building on the strong foundations of honesty with new airs of freedom and with the steel of our old and permanent courage, which makes us the owners of a history full of heroes and unforgettable events.

Once the anachronistic structures have been removed, we still will need to complete and consolidate the new institutional system, requiring deep legal changes.

Perhaps the situation in which the president of the Republic finds himself is sufficient proof of this need or shortcoming: Article 184 of the Constitution says this report must be read on 1 March while Article 238 says it must be offered on 1 July.

This example lacks, of course, the relevance of the misunderstandings that our different government branches have often had and that are really artificial. I will come to talk with this Congress' honorable members as many times as necessary to try to solve these misunderstandings, and I reiterate that the doors of my office will stay open for talking and working with the honorable legislators.

The very hard task of correcting, updating, and completing our legislation must be speeded up so that our process can have a very vital ingredient: security. A security in which peace and order are the products of the effective implementation of the freedoms recognized by the Constitutions and the laws.

Security and facilities for all types of transactions. A security that must become, in the end, a synonym of stability and trustworthiness.

Fortunately—we must congratulate ourselves for it—Paraguayan political leaders and the honorable senators and deputies were able to express all their patriotism and goodwill when accepting the democratic agreement that we signed at Government Palace on 13 January, where we reconciled our different opinions and moved ahead in the already unpostponable reorganization of the judicial branch.

The significance of this agreement, however, goes beyond its concrete objective and becomes not only a guiding element but also a method we should definitely use to reach agreement on the differences that will inevitably and necessarily emerge.

The Multiparty Board of the Governability Pact, which is made up of important political forces, is an experiment to have a mechanism that will gather and study proposals by complementing the government's action to make them into immediate, medium-, and long-term projects.

Naturally, these actions will not disregard the executive branch's exclusive and unrenounceable right to run the country.

It would be ungrateful not to point out here that the fluid and permanent communications I maintain with Congress and the actions of the vice president of the Republic made this political agreement possible.

The fruitful relations the vice president and I are maintaining with the different political organizations have made the creation of the Governability Pact possible.

The lack of democracy in the past left us an inheritance of accumulated vices affecting the character of our institutions. This inheritance is embedded as an invisible evil in the wounds left open in the heart and minds of everyone.

Only through our daily practice and good training will we be able to gradually change the attitudes and methods that are still affected by arbitrary decisions, ignorance, fear, lack of action, and privilege seeking.

The struggle for democracy is a daily demand that we open up to freedom; there must be responsibility toward democracy, respect for its rules, and the commitment not to make democratic rules into simple instruments seeking the survival of the ideas and vices that nourished the old regime's spirit.

National Defense and Public Security

The first results obtained from the reorganization and restructuring of the public forces made up of the Armed Forces and the police, the renewal of their high leadership, and the professionalization and gradual improvement of the personnel's work conditions are encouraging.

The nation's Armed Forces under the command of Gen. Andres Rodriguez fulfilled a significant historic role, and we should never forget that they were the participants of change when they were able to listen to and interpret the people's demands.

The nation's Armed Forces are engaged in reorganizing and redirecting their operational and development plans in order to adjust themselves to the new Paraguayan situation.

Their priority objective is to improve their effectiveness in the military field based on the professionalization and training of their human resources to improve their operational capabilities in order to fulfill their constitutional mission. In order to do that the following actions in the area of human resources were taken:

Improve the third-level education of the Military College through the signing of an agreement with the Catholic University of Asuncion's Academic Association.

Train and improve the military cadre through scholarships from friendly countries with which we maintain military exchange programs.

Permanent special training of the cadre at all levels through the different courses offered by the Armed Forces training institutes.

Mandatory military service is the means by which the Armed Forces completes their cadre to carry out their constitutional mission. Based on new guidelines, the training programs have been reorganized, emphasizing social and moral education, medical and dental attention, adult education against illiteracy, and basic training for the conscripts. This has been well received by the population as shown by the massive presence of conscripts for military service.

In the field of military justice, the military courts are fulfilling their constitutional function with efficiency.

The laws related to military matters and those referring to the Armed Forces structure and organization will be changed in order to better answer the dynamic needs of the service.

The Social Communication Center was created at all levels with the advice of competent national and foreign professionals.

The Armed Forces, which are aware of the structural changes demanded by technological development, are engaged in a profound reorganization of personnel, materiel, and the redistribution of their area of influence. The justification for this is worth mentioning:

1. Strengthen the Armed Forces to appropriately face the challenge of the 21st century.
2. Rational use of human and material resources.
3. Change the heavy structure for a more functional and flexible one.
4. Exploit the Armed Forces' deterrent power by supplying them with the technological means to carry out their mission.
5. Allow a rapid transition to an active defense organizational structure.

In order to achieve the aforementioned objectives, military units are being relocated in order to streamline and improve their operation in the quest for better control, coordination, communication, and economy. This measure requires a reprogramming of the Armed Forces' real estate assets.

Thus the Army Headquarters has moved from its old site on Venezuela Street [in Asuncion] to new and modern premises in Mariano Roque Alonso. The Military Training Institutes Command (CIME) and six of its components are operating on the premises of the old Arsenal.

The Joint Staff's reorganization to fit the role of advisory body for the commander of military forces allowed it to reduce from the nine departments it originally had to four, thus cutting bureaucratic red tape and releasing military personnel for reassignment elsewhere in the country.

The Military Forces Command and its General Staff have a balanced proportion of officers from each branch of service, which paves the way for the exchange of information necessary to set the Armed Forces' strategic course.

By effectively combining its resources with those of Dinac [National Directorate for Civil Aviation] for air traffic control and detection, the Air Force will be able to efficiently discharge its constitutional mission of protecting the sovereignty of the nation's air space. Resources are being combined in order to economize.

Armed Forces resources allow it to carry out a yearly average of 90,000 medical appointments, 3,600 surgical operations, and to provide conscripts with approximately 4,000 prostheses per year. [passage omitted]

The Paraguayan Navy owns the country's largest shipyard and, according to Law No. 70/55 dated 31 March 1955, it is authorized to render services to third parties.

Using funds obtained from such services, the Navy recently launched two vessels capable of carrying vehicles and personnel. These ships were built at Navy shipyards by Paraguayans alone, which helped save foreign currency and train specialists and technicians.

It should be pointed out that for the third consecutive year Navy Radio, which is part of the Inter-American Naval Telecommunications Network, has been chosen best station of the year among its peers from the other American countries.

I would like to express my satisfaction over the favorable reaction to the general call to fight crime, and I urge the people and the news media not to justify actions taken outside the framework of the law. One should always bear in mind that poverty is not a license to break the law.

Through the National Police Law this administration is changing the role of this institution and restoring its image of service to the people. This law paves the way for the reorganization of the National Police and allows it to purge its cadres, promote its best men, and specialize its personnel.

The executive branch is committed to giving the National Police all the necessary support, as has been demonstrated by the recent delivery of equipment aimed at giving policemen the protection they deserve to carry out their mission: bulletproof jackets and individual firearms. In the very near future the National Police will have hundreds of police cars, four-wheel-drive vehicles, 50 motorcycles, a communications network, and the helicopters that are essential for the job.

I hope, along with the rest of the citizenry, that we will soon have a highly professional National Police, agile and well-equipped to fight organized crime, which is a worldwide scourge on our society.

Your Honors are no doubt aware of the burning and urgent need to review and update our criminal laws, the laws that can help reconcile the objectives of the central government, departmental governments, and municipalities, and the laws that have to do with the allocation of resources or these entities.

The draft Criminal Code of Laws that the executive branch has withdrawn from Congress currently is the target of a broad and democratic debate in which some 30 organizations, including universities, are participating.

The Role of the State

The state must without fail become the most active, enthusiastic, and zealous promoter of this process. Naturally, in order to fully comply with this essential task, the state's role must be reoriented and restructured in keeping with the new Constitution and the short-, middle-, and long-term objectives it has been entrusted with.

The draft bill on this subject we will send to Congress in the short term is fully inspired by the will to reinstate a real republican quality, that is, the property of everyone.

Only in this manner will the state attain the confidence, support, and perhaps the love of our people. Only in this manner will the best available human resources join the administration. Only in this manner will we attain the level of excellence required for the government's superior and meaningful mission. Only in this manner will we manage to replace the costly, inefficient, and shapeless state apparatus we inherited. Only in this manner will we attain a strong and respected government.

This is why we organized a data base of the professional capability of public employees, including their expertise, age, family status, post, and seniority. We already are using this data base to prepare human resource policies for the public sector.

Simultaneously, based on profuse reference material that had to be prepared beforehand, we prepared a draft bill to replace the Public Employee Statute. This constitutes another element to promote the state transformation process we seek.

As an example, the president of the Republic periodically receives a "Situation Report" on the performance of the main economic variables and a "Quantitative Report on the Execution of the Central Government Investment Budget," which are very useful in making decisions.

The "Priority Criteria for Public Investment Projects" and the "1994 Government Public Investment Program" already have been defined while a Five-Year Plan is being prepared.

The fact that I mention these basic instruments for administration greatly demonstrates the poor and regrettable conditions in which democracy took control of the state.

The Economic Matter

Within the context of globalization, competitiveness has internationalized and is becoming increasingly more demanding.

We, as a nation and a system, have the duty of adapting to this context, following the best strategies necessary for our reality. The following information will demonstrate to you some of the most relevant aspects of our economy and the direction we are giving it.

In the macroeconomic field, the GDP increased 3.7 percent. This is a greater increase than the one in the last two years.

Economic reactivation will be spurred through better harvests, and the GDP could increase by more than 4 percent in 1994. This will promote sustained growth in subsequent years.

The 20 percent inflation rate in 1993 was the result of a 14 percent increase in the dollar exchange rate, a 23.5 percent increase in the money supply, and cautious economic behavior during the election period. The 1994 macroeconomic guidelines are aimed at curbing inflation through fiscal balance and a moderate expansion of the money supply to strengthen the atmosphere of reliability for investors.

The high 3.1 percent population growth index per year demands the creation of more jobs. High harvest production rates for the main agricultural products plus the first results of agricultural diversification in 1994, like grain, corn, vegetables, and other crops, will improve economic activity and determine the increase of demand for labor.

Public and private investments were scarce as a result of the slow execution of public programs and the dwindling of private initiative. Public investments dropped from 2.7 percent to 2.5 percent of the GDP while private investments dropped from 22.4 percent in 1991 to 20.2 percent in 1992 and 20.0 percent in 1993.

It is estimated that public investments will increase to 4 percent of the GDP in 1994. The government will introduce new measures this year to promote private investment such as the creation of medium- and long-term financing mechanisms and the promotion of joint national and foreign investments. It is estimated that the private investment projects that will be channeled through the different ministries will amount to more than $250 million, while the investments authorized in 1993 thanks to Law No. 60/90 will continue being developed.

Rural development in general and agricultural diversification in particular are the priority subjects of this government policy. Evidence of this is that through the new Agricultural Financing Program the government has, for the first time, disbursed on time 350 billion guaranies allowing agricultural diversification and facilitating the praiseworthy efforts of the peasants. [passage omitted]

Agriculture had a significant recovery during 1993 compared to the previous year and production grew 4.4 percent. This growth compares favorably with 1992's 2.1 negative growth.

The improvement was due mainly to the increased production of soybean, which totalled 1.7 million metric tons, cotton in branch with 430,000 metric tons, wheat with 360,000 metric tons, sunflower with 33,000 metric tons, corn with 650,000 metric tons, and other agriculture products.

The export of agricultural products produced 72 percent of the hard currency earned by the country. Livestock and forestry produced 23 percent. This means that agriculture and forestry produced 95 percent of our total registered exports during 1993. [passage omitted]

The industrial sector has maintained an interesting rate of capital investments, absorbing 32 percent of the total of 420 billion guaranies channeled in accordance to Law No. 60/90 on investments.

In order to face the growing competitiveness of the world market and Mercosur's [Common Market of the South] challenge it is necessary to give more dynamism to our industrial reconversion process. In order to assist companies in this endeavor the government created the Industrial Development Fund, which will act as a second-level bank to channel internal and external medium- and long-term financial resources to industrial concerns through the private financial system.

This fund will have resources of up to $300 million that will represent investments from our internal savings, the assistance of multilateral financial institutions (IDB, BIRD [Inter-American Development Bank, World Bank]), and financial aid from various countries' government agencies. The funds will be assigned to finance activities capable of producing nontraditional exportable products.

We will consolidate the mechanism for protecting industrial and intellectual property rights through patent and trademark laws and strong actions to eliminate forgeries and illegitimate copies.

The implementation of a $12 million IDB credit line to assist small companies will allow the Industrial Development Service (SEI) and MIC [Industry and Commerce Ministry] regional offices to add financial to technical assistance. Such assistance will be extended to artisans through the National Service for Artisan Development.

The central government closed the 1993 fiscal year with a balanced budget. The consolidated public sector, including public companies, ended the year with a surplus of 1.6 percent of the GDP.

This means that the public administration's budgetary situation as a whole improved substantially during 1993, particularly as of August.

The new government implemented important control measures to improve revenues. As a result, the average monthly fiscal income, which totalled 132 billion guaranies up until 15 August, increased to 175 billion guaranies in the following months, that is, a 33 percent increase.

The implementation of the national budget was largely behind schedule before 15 August, but we recovered during the rest of year.

By mid-August, budget disbursements represented 53 percent of the total disbursed during 1993, that is, the average disbursement was 90 billion guaranies per month. The rate of disbursements increased to 126 billion guaranies in the last part of the year, allowing the government to fulfill a large percentage of its budget schedule and permitting us to close the year with the financing of 96 percent of the budget scheduled for financing with ordinary resources and 78 percent of the budget scheduled for financing with Itaipu Binational royalties and compensations. [passage omitted]

The transformation of public companies into private companies, in addition to providing better service to consumers, also will bring fiscal savings.

The savings from the elimination of subsidies and credits to public companies, as well as the income to be received from the transfer of the companies to the private sector, will be used in public health, education, and agriculture.

The urgent need for privatization can be seen in the indicators showing how the budget is sacrificed to financing inefficient companies.

Maintaining the Paraguayan Railway System demands a big budget that is 3.831 billion guaranies for 1994.

Every year the state pays the State Merchant Fleet's foreign debt. In 1994 it will pay more than $5 million in addition to the $81 million already paid in the past.

The assets for the bidding on the State Merchant Fleet are 11 billion guaranies, but it will be revalued to reflect its real value in order to encourage investors for its privatization.

Paraguayan Airlines Inc. [LAPSA] needs state contributions each year, which in 1993 amounted to $16 million. A demand by some creditors has recently compelled the state to pay $2.1 million, while overdue and unpostponable obligations amount to approximately $5 million.

LAPSA's monthly operational losses amount to $1.3 million. Liabilities to be paid by the state amount to $42 million. The executive branch called for special congressional sessions for urgent study of a special law authorizing the transfer of 80 percent of company shares to the private sector, reducing the state's liabilities by approximately $20 million.

We have listened to the following question many times: Should the state produce rum? The former Apal [Paraguayan Alcohol Administration] is being liquidated. It was converted into a corporation, Canas Paraguayas, Inc. (Capasa).

The state owns 100 percent of the shares of Flomerpasa [Paraguayan Merchant Fleet, Inc.], LAPSA, and Capasa. On 28 March, I received these companies' shares, which will be deposited in the Treasury's General Directorate.

Flomerpasa delivered shares for 8 billion guaranies, Capasa for 29 billion guaranies, and LAPSA for 22 billion guaranies, for a total of 59 billion guaranies.

The Privatization Council's Executive Directorate has called local and international consulting firms for the preliminary bidding for designing the privatization strategy of each of those enterprises. The process includes valuation of assets and the preparation of the list of conditions for the call for offers.

More than 92 consulting firms have responded, and their proposals will be rated by the council under the control of the Bicameral Privatization Commission and the nation's comptroller general. The IDB will finance the consulting services with nonreimbursable credits from a Japanese donation. The first call for offers for privatization is scheduled for July.

The executive branch cooperated with the drawing up of a bill amending Privatization No. Law 126/91, with a view toward issuing regulations for Article 111 of the Constitution, assigning 10 percent of the capital of the enterprises that will be privatized for employees and workers and 10 percent for the directly involved sectors, facilitating the purchasing of shares under special, preferential conditions.

The monetary supply grew 223.5 percent compared with 1992 as a result of the increase in international reserves and the money supply's expansion, which was caused mainly by the withdrawal of deposits in the Social Security Institute and other state enterprises from the Central Bank of Paraguay.

Legal reserve restrictions were lifted in order to provide credits to farmers. In 1993, bank rediscounts dropped 47 percent compared with 1992. Rediscounts no longer exist. They were replaced by financing from the private banking system.

The money supply grew 20.3 percent, totaling 981 billion guaranies. Savings deposits grew 27.6 percent, totaling 780.809 billion guaranies, while foreign currency deposits grew 1.2 trillion guaranies, which is equivalent to $640 million, which amounts to a 53 percent increase. Banks have large dollar deposits for financing this year's

crops. For cotton and soybean harvesting, banks provided credits worth 382 billion guaranies.

Bank loans to the government declined substantially in 1993, as compared to the significant growth of domestic loans to the public sector in 1992, which was prompted by large foreign debt payments.

In February 1993 the National Treasury received from the Central Bank an advance of 125 billion guaranies to help the state pay various obligations. This amount has been largely reimbursed by the current administration. At this point public sector debts to the Central Bank total 1.2 trillion guaranies, while public sector deposits at the Central Bank amount to 226 billion guaranies.

Bank loans to private enterprises have increased by 42 percent. This significant increase of bank loans to private enterprises was prompted mostly by the cash flow generated by Paraguayan Social Security Institute [IPS] deposits in the local banks, increased deposits from other public institutions, and the growth of private deposits, including those in foreign currency.

The most recent figures from the National Development Bank [BNF], the bank that is most directly involved in the financing of productive activities, reveal that 343 billion guaranies have been loaned out. Of this amount, 70 percent went to agriculture and livestock, 23 percent to industry, and 7 percent to trade.

The National Workers Bank [BNT] is giving clear signs that it has turned into a strong corporation that is leaving its mark on the financial market. During the past fiscal year its net profits totaled 3.6 billion guaranies (an increase of 204 percent). The balance of its loan portfolio surpasses 116 billion guaranies (an increase of 40 percent).

Socially oriented loans totaling more than 27 billion guaranies were granted to 6,818 worker families (an increase of 70 percent). Cooperatives were given almost 6 billion guaranies in loans. As part of its social project the BNT also contributed to the administration's agrarian policy by settling 636 families on more than 5,000 hectares of land that belonged to the bank. [passage omitted]

Foreign accounts improved in 1993. The balance of payments yielded a surplus of $87 million as compared to the $347 million deficit in 1992, the year in which a large portion of the foreign debt was paid. The large foreign trade deficit was also reduced in 1993 due to an increase in exports, which brought in $729 million.

The balance of payments will be further strengthened in 1994 by the growth of exports, which are expected to total $1 billion, and by the projected inflow of foreign capital.

Foreign loans disbursed in 1993, mainly by international organizations, amounted to $115 million, thus registering a 26 percent increase.

As of this year, the national government will be granted considerable financial support to finance rural development, environmental protection, the betterment of public health and education services, and the strengthening of other areas of social interest.

International credits for funding projects in the two-year period extending from 1994 to 1996, formalized and about to be approved, add up to $1.4845 billion. They will be earmarked as follows: $518.9 million for rural development, $288.8 million for health care and education, $54 million for housing development projects, $576.6 million for infrastructure (roads, electricity, communications, and transport), and $46.2 million for institutional development.

This important financing, together with the funds appropriated for these ends in the national budget, will boost our country's social and economic development.

International reserves totaled $698.4 million to 31 December 1993, thus registering a 14.4 percent increase.

Our country's external debt dropped to $1.2175 billion in December 1993. Our debt service obligations are current, with the exception of some payments that are under way.

The underlying causes of our present problems show that it will be absolutely essential to reach a frank, open, and well-devised agreement between the private and public sectors to overcome the barriers that hamper domestic growth.

The executive branch will draft a budget that guarantees fiscal balance, including an efficient policy on spending and investments and an appropriate allocation of funds. We base ourselves on the presumption that discipline and monetary stability are the bases of macroeconomic order.

Permit me to remind you that to that effect we have already submitted to Congress bills that are very important for reforming and strengthening the financial system, like the Central Bank charter bill and the stock corporation bill, which by modifying the conditions for the establishment of the said corporations will contribute to speeding up the deregulation process.

In the course of this year's session of Congress, the executive branch will submit the following bills, on: banks, duty-free zones, mutual funds, tax reform, reforestation, discounting of industrial assets, insurance, petroleum and hydrocarbons, trust funds, leasing, and investors' by-laws.

The considerations put forward in the present report can be summarized in the following strategy:

On the one hand, state reform, which by doing away with the privileges and concessions that characterized past policies, will enable efficiency and the solution of our social problems. On the other hand, the privatization of the economy will grant the private sector an increasingly

leading role in the production of goods and services. This will be made by furthering environmentally sound technologies that increase productivity and enhance the quality of life for all citizens, especially those in the social strata and regions that have for centuries been excluded from the benefits of social and economic development.

The Social Situation

Our most difficult heritage—all of us know this—is poverty, unemployment, and educational inequality, with their painful burden of injustice and frustration and their harmful consequences of beggary and crime.

Ours is a small community living in a generous land, which is generous because of its size, of the quality of its soil, and its abundant natural resources.

We should have long ago become a model society living in well-being. Yet some essential factors of our territory still remain unknown to us.

We are still working on the preparation of maps for the classification and use of soils, for drainage, infrastructure, and zoning.

We are still distributing land without the basic data from a land survey registry, the preparation of which we are promoting, after awarding the respective contract through an international call for bids, with World Bank financing.

That is why I would like to reiterate before this honorable Congress that education is a true obsession for me. This obstinate idea stems from the fact that I am convinced that the limitations of our educational system are, beyond all doubt, the biggest barriers that we have to overcome in order to achieve development. Consequently, education is our first strategic choice, because we consider it a vital factor for the production of wealth. [passage omitted]

Another inherited obligation compels us to provide drinking water, highway infrastructure, electric power, sanitary services, and medical assistance to many towns. As you, Messrs. Deputies and Senators, know, our resources are scarce, and have so far been improperly allocated and improperly used, despite the corrective measures that we have begun to adopt.

I am in no way trying to sing a litany of pessimism and hopelessness to this honorable Congress.

What I did decide to do, however, is—in keeping with constitutional principles—to avoid siren songs, and to speak frankly about the general situation in the Republic and about the restrictions that we have to face, so that all of us may become aware of the magnitude of the commitment that we have assumed. [passage omitted]

In the labor area, the Ministry of Labor and Justice broke with a negative tradition of disagreement and sterile confrontations, beginning a new system of relations between the state, the employers, and workers, based on dialogue and accord, in search for agreements leading toward more harmonious social development.

The government's openmindedness, and the cooperation of employers and workers, are built upon fluid communications with the labor and management centrals, whose positive results are reflected by the following figures:

Approved Collective Contracts:	
Between August 1992 and February 1993:	12
Between August 1993 and February 1994:	35
Favorable balance:	23
Legalized Unions:	
Between August 1992 and February 1993:	58
Between August 1993 and February 1994:	126
Favorable balance:	62[aspublished]

It should also be noted that among the unions that were legalized after 15 August 1993, 65 belong to the public sector, thus attesting to the freedom of association prevailing in that sector.

Efficient government action in this area led the United States to exclude Paraguay from the list of countries that were sanctioned for labor violations in the General System of Preferences. [passage omitted]

The problems of the social sector, however, are not limited to education, health, housing and social security, which are obviously essential for human development. Problems in this area also include poverty and the most vulnerable sectors of society, such as women, minors, the handicapped, and indigenous people.

The concentration of economic activities in the hands of the state, far from promoting fair distribution of wealth and of the results of work, is a factor for backwardness, for concentration of income, and for progressive marginalization for a vast sector of society. This has happened in Paraguay, and it is the darkest and most painful side of our situation. [passage omitted]

A nation that neglects its children cannot even envisage its future, let alone a happy one. Our social reality is marred by the painful existence of street children, of unprotected and abandoned children.

Nearly 50 percent of our population is in the under 20 age bracket; 26,000 children and teenagers are working on the streets of Asuncion and in the metropolitan area; and 2 percent of the children living in Asuncion are in a high risk situation. Eighty five percent of these children attend school irregularly, while the remaining 15 percent do not attend school at all.

The temptation to think about adopting relief measures appears to be irresistible—and we are in fact thinking about that. We should not deceive ourselves, however,

because the solutions we all want will be achieved only through economic growth and development.

There are 484,189 handicapped individuals in our country. This figure accounts for 10 percent of our overall population.

Being handicapped should not be an insurmountable obstacle for anyone to join society and the job market. In this respect, the public sector has set an example by hiring handicapped individuals, and the private sector should do the same as long as these individuals also do their part in training for production.

We are giving special attention to the priority requirement of supplying land and the respective deeds to indigenous communities.

As we have seen, education and public health programs envisage special projects intended for indigenous groups so that, without reneging on their culture, they may be integrated into society with the knowledge required by any modern country.

To deal with these and other social problems we have proceeded to reorganize many institutions having jurisdiction over these areas.

Regarding the public housing program, we have appointed a new management team to overcome the financial crisis we had inherited.

I am referring to the main public institution charged with meeting the demands of public housing. The government has appointed a new administration team to overcome the financial crisis left by the previous one. [passage omitted]

Another current issue is the one concerning the Social Security Institute (IPS), which is being criticized by several sectors, including unions of IPS workers themselves. An investigation is currently being conducted at the IPS Central Hospital, and studies aimed at gathering current data are being made with the cooperation of the United Nations and the IDB.

It is expected that all this will result in profound structural changes and markedly improved services in the short term.

Regarding the rural situation, we may also notice that we are still experiencing problems stemming from an outdated, obsolete structure. We are currently experiencing conflicts in some areas, and are hearing strong demands from those asking for land and for better prices for agricultural products.

We are taking action. We are studying projects for implementing a true agrarian reform, which would not be limited to a simple distribution of land. We have changed both the leadership and the approach of the Agrarian Reform Institute. We have expanded technical and financial support. We successfully fought cotton plagues. We have applied a policy of dialogue and negotiations.

We must openly and clearly state here that the state in Paraguay can no longer intervene in the economy. Yes, this is a state that wants to play a guiding role in promoting productive activity and competition, which must be governed by the free market rules.

Based on these rules we will meet the challenge of increasing production and productivity to be able to enjoy comparative advantages regarding prices, especially regarding export products, but without neglecting those items intended for domestic consumption.

It is in this fashion that we will achieve progress and prosperity in rural areas. We will not achieve all this by granting subsidies, the trademark of paternalist systems, which will only result in maintaining old, unjust, and almost feudal structures for property and production, when our needs and aspirations for modernization call for new techniques and for adequately trained and well supported farmers.

I will not adopt demagogic measures that could perhaps bring short-lived euphoria, but which would ultimately have nefarious consequences for the entire population.

With great dedication, we will proceed in our endeavor to create the appropriate conditions for achieving the major objectives for the rural sector outlined in our government program.

Within the framework of complete press freedom, I ordered that the press be granted total access to official data and information. The Social Communications Secretariat has been clearly instructed to facilitate—as much as possible—the work of reporters.

It goes without saying that it behooves a government with a democratic vocation and above-board behavior to act in this way.

The press have a fundamental role in our historical process, and a great responsibility in times of transition, when they have to fulfill several tasks—to inform the public so that we citizens may know what is happening in our country; to uncover events and situations that affect the public interest; and to guide public opinion with wisdom and presence of mind, which is perhaps the most difficult task.

I think that the government is doing its share. We are making every effort to strengthen democracy with sincerity and frankness.

The press, like all sectors, need to improve their members' training. And yet I do not intend to judge the work of the press. Time, the master of history, will judge them.

We have attempted to enumerate the social problems that weigh heavily on so many people.

The task ahead is truly arduous, as my honorable friends may have already noticed.

This task will be long and will entail much sacrifice. It will require a concerted effort by all of us, in acting resolutely to substantially modify all the restraining variables that we have briefly included in this address. Otherwise we will stagnate and will not be able to achieve development.

Inspired by this conviction, we established the Coordinating Council for Social Development by decree on 21 February 1994. We charged this multisectorial council to coordinate strategies, efforts, and wills with a view to solving social problems and helping the country achieve development.

I do not wish to close this subject on the country's social problems without having conveyed my heartfelt appreciation for all the help Paraguayan churches have given me whenever I requested their cooperation.

I have proof of the great spirit of tolerance—a nearly sublime one—that informs these pastors' actions, in the face of the frequent lack of understanding with which people respond to the self-giving and sacrifice they offer us every day. [passage omitted]

Our Relations With the World

Relations between states have always been given top priority by every government, not because the other businesses of any public administration are less important, but rather because foreign relations by their very nature have very special characteristics conditioning their exercise.

This is why it is of paramount importance to assess every step to be taken in foreign policy with seriousness, common sense, and composure.

Paraguay is recovering the characteristics of a democratic state, which enable it to comfortably hold talks either with nations with which we have friendly ties or in international forums. The executive power, which by constitutional mandate has the laborious task of conducting the country's foreign policy, wishes to live up to this honorable duty. I will spare no efforts or initiative to achieve the effective insertion of our country onto the different stages upon which our destiny is at stake.

I attended the UN General Assembly and the OAS Permanent Council, to report on the Paraguayan political reality and on our foreign policy objectives at these important world and regional forums.

I also participated in the Rio Group Summit in Santiago, Chile, to discuss with the other presidents ways to tackle the problems confronting the vast region we belong to.

We are especially interested in maintaining, strengthening, and boosting our relation with our neighboring countries by furthering an uninterrupted, cordial, and highly creative dialogue.

Among the most salient bilateral issues discussed with our neighbors, let us mention the following: the Pilcomayo River; the Yacyreta and Corpus [hydroelectric dams] with Argentina; the enhancement of our relations with Bolivia; Itaipu [hydroelectric dam], the cornerstone of our relations with Brazil; the Paraguay-Parana Waterway; and the Tiete-Parana highway.

Following a virtual suspension of construction work at Yacyreta, the Paraguayan and Argentine Governments have decided to reactivate the project on the basis of the gradual filling of the reservoir in stages, administrative rationalization, and a total reassessment of its economic and financial profile. This has enabled the unblocking of foreign financial aid, which in turn will be instrumental in making the first turbine—which will operate at an elevation of 76 meters above sea level—operational in September this year, once we resolve aspects that have to do with the necessary expropriations and resettlement. [passage omitted]

The Corpus Christi [hydroelectric dam] project is well located geographically for supplying energy to Argentina, Paraguay, Uruguay, and Brazil within Mercosur, and represents a regional electrical energy integration axis.

In keeping with the trend toward the privatization of public enterprises, the governments of Paraguay and Argentina agreed to promote the Corpus project through concessions to the private sector.

The adverse results of the work carried out on the Pilcomayo River to control the retrogression of the river channel created a situation of great concern with the Argentine Republic, involving a total diversion of the waters toward Argentine territory. This situation lasted two years.

Busy diplomatic negotiations have been conducted to have this irregularity soon corrected. [passage omitted]

The Paraguayan and Argentine delegations met in Asuncion on 29 and 30 November and on 1 December. Following busy negotiations and a good understanding between the two countries, an agreement was signed. It was agreed to pursue studies, projects, and work on the River Plate basin to guarantee an equal distribution of the waters and prevent the retrogression of the river. [passage omitted]

As part of this program provisional corrective work will be implemented this year. To this end, access roads and the infrastructure for camps and warehousing of materials are being built now.

Concerning our efforts in the international arena, I would like to especially emphasize one of these. I believe, gentlemen, that we have marked the end of a long history of estrangement from the Republic of Bolivia. We have definitely overcome the obstacles that had prevented a close relationship, and have also achieved a period of spiritual neighborliness.

Integration overcomes disruptions and divisions. Now Paraguay and Bolivia can develop projects of great importance for the two countries. The waterway, the geopolitical key to the River Plate, the sound and equal use of the Pilcomayo River, the gas pipeline, the various methods of exchange between two complementary economies, and the Transchaco Highway link are some of the issues uniting Paraguay and Bolivia within prospects for friendship and progress. The restoration of the Chaco War trophies, symbolic of this new relationship between the two countries, was approved by this Congress. Our relationship will be further enhanced with Bolivian President Gonzalo Sanchez de Lozada's visit in a few days.

Concerning Itaipu Binational, my administration paid due attention to its financial situation during the second half of 1992 and the first half of 1993. Itaipu Binational pledged to honor its obligations with the Paraguayan Government, involving "royalties" and compensation for the supply of energy. It is worth mentioning that the Itaipu royalties represent the second most significant source of income for the Treasury.

Our credit totaled about $138 million by 30 July 1993. Additional credits would have become due in subsequent months, thus aggravating Itaipu's payments crisis.

Special and personal negotiations were conducted before Brazilian authorities who, as a response and within the framework of mutual cooperation, allowed Itaipu to establish an adjusted payment schedule. Remittances to Paraguay, totaling about $153 million, were resumed between 16 August and December 1993.

In January we collected the rescheduled debts for 1990, 1991, and 1992.

The Paraguayan and Brazilian Governments focused their attention on the irregular situation of the Itaipu Binational administration, prompted by the refusal of our country's Congress to approve the statutes proposed in 1991. Through notes signed on 20 December the Paraguayan and Brazilian Governments agreed on provisionally reinstating the 1986 Statute (Annex A) until the High-Level Contracting Sides decide to implement a new Statute, whose negotiations are scheduled to conclude before 31 December 1995.

Following productive talks with the presidents of the two congressional chambers, bloc leaders, foreign relations committee chairmen, and leaders from all political parties, an agreement was signed. This agreement is now being discussed by you, and it has already received approval in one of the chambers.

I am resolutely in favor of integration at various levels, passing through all the stages that are required to achieve it and without being detrimental to our own interests.

With regard to Mercosur, during the presidential summit held in the city of Colonia, Uruguay, in January, I said Mercosur is destined to promote economic development, which will contribute to strengthening our democracies and achieving a balanced social system.

I also pointed out that, as practice indicates, the deadlines established in the Asuncion Treaty are too short for the ambitious objectives that are pursuing.

We have made great efforts, promoting the free traffic of people, goods, services, and capitals, but we still have not properly encouraged an economic and social convergence among the four countries, which have policies that are far from convergent, have disparate economic potentials, and must harmonize their macroeconomic and area policies.

Paraguay thus proposed creating a Solidarity Program [Programa de Solidaridad] that would favor the member states whose economies are less developed, so as to encourage a regional redistribution of resources and facilitate the member states' integration into Mercosur.

I also assign high priority to the "Parana-Paraguay" waterway, which will be extraordinary not only thanks to its impact on commercial traffic, but thanks to its political significance as a factor for strengthening the friendship among River Plate basin countries.

I assign a similar significance to the river integration project involving the Parana and Tiete Rivers. We fully appreciate and support this project. We will never repent of increasing the means of communications among our territories. For centuries we suffered retrogressive estrangement. In this era of high technology, it is a favorable time to regain the opportunities that we missed.

Drug trafficking: an unpleasant but unavoidable subject. The government has officially undertaken the commitment to fight, with every means it has at hand, the production and consumption of and trafficking in drugs and psychotropic substances, in all their forms.

The great economic power of the underworld is the main obstacle in the struggle against drug trafficking.

We will resort to our meager resources in order to fulfill our commitment. We hope to enjoy the cooperation of those countries equally engaged in fighting this scourge.

I will now refer to a subject that has drawn the attention of the people and members of this Congress.

I am talking about the "Strong Highways 94-S-PA" project, which was supposed to be carried out in San Pedro Department by U.S. servicemen together with members of the Paraguayan Public Works and Communications Ministry.

The proposal to implement this project was carefully assessed by competent Paraguayan organizations, but unfortunately it will not be carried out, due to lack of time in coordinating this project in keeping with the

terms of the Constitution. The background on the project was submitted to the president of the honorable Congress.

As for the offer to carry out the joint military maneuvers "United Forces 94" and "Unitas 35," the executive branch will not object to their implementation under the same terms of previous years, and as long as the constitutional requirements are fulfilled.

We hope to continue enjoying U.S. technical cooperation and assistance in further training our Armed Forces.

As I greet the heads of foreign missions I cannot but help mention the support my government received, right from the beginning, from the entire international community and international organizations.

I want to especially mention the member countries of the Southern Cone, Spain, Germany, the United States, Japan, the United Nations, the OAS, international financial organizations, the IDB, the World Bank, and the IMF. Also the EEC, now the European Union.

Paraguay has a new approach regarding the rest of the world. We have emerged from our isolation. Despite our landlocked situation, we acknowledge the new map of the world and the new relationship among nations.

The executive branch seeks to maximize its relationship with all the countries of the world. Within this context I have made several trips abroad to shorten distances, recover and start relationships, and especially, open new prospects for our economy and commerce.

It is not only the government that must take this new approach. This is why every time I go abroad I am accompanied by delegations of legislators and representatives of the working class, the business sector, the church, the political parties, and Paraguayan society in general.

In very little time we have traveled thousands of kilometers. We have visited several countries. We have met with the main world leaders. What have we accomplished? That the world today has a new idea of Paraguay.

Messrs. Senators and Deputies:

This is a time for changes and for courage.

It is a time of challenges in a changing world, in which history gains speed and reorganizes the political maps, a time of changes in which each country must reassess its prospects, and open new paths toward new opportunities.

The current times demand that we be fully aware of the historic moment we are experiencing. There is no room for isolation, for projects undertaken alone, for arbitrary decisions; there is only room for discipline. These days demand generosity and hard work to build the great and modern Paraguay we seek to bequeath to our children.

The fatherland stands above any differences.

The nation stands above the conflict of ideas and different viewpoints of the world. Coexistence, despite our differences and contradictions, builds democracy and the identity that is expressed in a single feeling of love for Paraguay.

Those of us responsible for governing the fatherland are here simply through circumstance. But we must be capable of facing the challenges we encounter, and of building the Paraguay to which we aspire.

Messrs. Senators and Deputies:

You and I are both responsible for actions that, although they take place in different fields, must necessary complement each other, because the fatherland needs firm, homogeneous, and coherent guidelines to attain the common objectives of all Paraguayans.

Messrs. Congressmen, representatives of the Paraguayan people:

Human life is marked by mixed feelings. On the one hand a feeling of love for our fellow men, and on the other the irresistible impulse toward evil.

Human life is a constant battle to overcome one's own weaknesses and strive for success. The real masters, those who are even stronger than the rulers of the people—those who rule over themselves—will defeat deception and injustice.

I invite each and every one of you to start this struggle designed to control our impulses and to work united to serve our people. Time flies, and our needs cannot wait to be fulfilled.

If this attitude is always necessary, it is particularly necessary in the Paraguay of today. We have reached a crossroads: One path draws us back to the past, and the other leads us toward the future to which we aspire. It is up to us not to slip back into the past. It is up to our courage and good faith to advance, to advance with hope.

The hope of society requires calmness, rationality, perseverance, and the united efforts of all in order to materialize. Democracy represents the institutional framework of hope. Democracy allows us amend mistakes without having to go back to the starting point, but by continuing along institutional paths leading to the achievement of our objectives.

Let us not forget that peace requires order, and stems from the perfect balance between charity and justice.

Gentlemen:

As I greet you, I thank you for listening to me. Please allow me, humbly, to recall what a Catholic saint taught us: Let us work as if everything depended on us, and let us pray as if everything depended on God. Thank you.

Uruguay

Roundup of Economic Reports

PY0403034294

[Editorial Report] The following is a compilation of reports on economic activities in Uruguay monitored through 3 March.

The Central Bank has reported that the Uruguayan public sector's gross foreign debt increased $33 million, or 0.8 percent, and that the net foreign debt dropped 4.1 percent in the first 11 months of 1993. The gross foreign debt was $4.1688 billion late in November, $35 million less than late in October, because of a drop in the public financial sector's debt. (Madrid EFE in Spanish 2010 GMT 24 Feb 94)

The National Statistics Institute on 2 March reported that the consumer price index rose 1.43 percent in February, the lowest monthly rate since December 1987. The cumulative inflation rate for the last 12 months was 48.96 percent, the best rate since April 1984. Health care registered the highest increase, with 3.93 percent; housing 2.19 percent, and recreation 1.77 percent. (Madrid EFE in Spanish 2112 GMT 2 Mar 94)

Venezuela

Brazilian President Arrives To Meet Caldera

PA0403014594 Caracas Venezolana de Television Network in Spanish 2350 GMT 3 Mar 94

[From "The News" newscast]

[Text] Brazilian President Itamar Franco arrived at the Simon Bolivar international airport at 1705. He is accompanied by Foreign Minister Celso Amorim and a group of high-ranking officials from his cabinet. Itamar Franco is the first head of state to be received by Rafael Caldera as Venezuelan president after taking office one month ago. Sources close to the Brazilian Government said the objective of a working meeting on Friday is to develop the economic foundations for the creation of a trade agreement to be known as Merconorte. Despite the importance of the meeting, the presidents do not plan to sign any agreements since the two countries already have more than 36 agreements ranging from cultural exchanges to technical and trade cooperation.

Defense Minister Cited on Strengthening Democracy

PA0303202794 Caracas EL DIARIO DE CARACAS in Spanish 2 Mar 94 p 24

[By Abraham Rivero Perez]

[Text] "We believe in democracy and justice." With these words, Defense Minister Rafael Montero Revette made it clear the country's pacification policy will not only guarantee the strengthening of the FAN [National Armed Forces], but national peace as well.

During the interpellation or "invitation," Montero Revette reiterated that as long as military members are under arrest, problems in the FAN will continue, because the expectations of the public "will be voiced with greater intensity."

He told deputies of the Defense Commission that the solution to the problem of the "coupist military" is a matter of time and that only the investigation of each and every case will permit deciding "whether or not they should remain in the Armed Forces."

He recalled that the military institution "is an honorable institution, which does not have preferences for anyone, is apolitical, and adheres to the principles of discipline." In that sense, he said that those military members who were acquitted but were found to have been linked to the movement led by Commander Chavez should not be reintegrated to the FAN, because their statements are political."

He said, however that "nobody has obliged the arrested military members to request discharge and it cannot be said either that the 270 military members who were reintegrated have been victims of internal pressure." He said all reintegrated officials are obliged to do their duty and that the High Command is aware that it must avoid "politics in the garrisons."

Regarding the legal situation of Commander Chavez, he said that "he is an officer as any other waiting for the outcome of a decision. He has said he wants to leave last, and he is respected for that."

"The FAN and the government do not fear a coup d'etat. What we are doing is studying each case, because each officer is a different case. What happens is that some persons believe since it was a military topic involving officers that we are speaking of a coup," Montero Revette explained.

Asked if former Minister Radames Munoz Leon had tried to stage a military coup weeks before the December elections, Montero Revette said the FAN could not stage a military coup "because there is no man capable of communicating with all the officers and troops deployed throughout the national territory."

As for rumors that Munoz Leon had traveled to the United States to conspire against democracy, Montero Revette said the former minister was granted a leave of absence with the president's authorization in response to an invitation by a U.S. university. "I can also guarantee that the cost of the former minister's trip was not financed. Rather, it was financed and paid by the Defense Ministry. I don't know if there was support from another party, but that is not my problem," he stated.

Council of Ministers Approves 'Fiscal Police'

PA0303131294 Caracas Venezolana de Television Network in Spanish 0000 GMT 3 Mar 94

[From "The News" newscast]

[Text] The Council of Ministers approved creation of the Fiscal Police and a 105-billion bolivares budget reduction today.

[Reporter Cecilia Pachano] During the almost five hour cabinet meeting, the ministers discussed at length the package of fiscal laws known as the Sosa Plan, although the topic was not exhausted. They believe the package will be finally approved this weekend during an extraordinary Council of Ministers meeting. To make this possible, the economic cabinet declared this an emergency and will continue to refine the laws so they can be ready before 8 March, the date on which the executive insists it will formally submit them to Congress. Progress was made on other matters, however. The ministers approved a decree that cuts spending to a level close to the 10-percent goal the government set. Most affected by the reduction are the Transportation and Communications Ministry, with a cut of 30 billion bolivares, the Interior Ministry, with 12 billion bolivares, the Agriculture and Livestock Ministry, with 10 billion bolivares, and the Defense Ministry with 6 billion.

Another result of the cabinet meeting was approval of the decree creating the National Tax Management and Control Service [Servicio Nacional de Administracion and Control Tributario], a self-financing body without the legal authority [personalidad juridica] to replace the General Income Directorate, which is to be known by the name of Fiscal Police [Policia Fiscal].

[Begin Guillermo Alvarez, Central Information Office minister, recording] It will direct and administer tax activities, participate in the drafting of tax policies and issue guidelines to implement them, participate in studying and drafting bills, act as the authority that establishes tax policies and explains and enforces fiscal legislation, have the authority to collect taxes, and ensure sufficient taxes are collected. There is no budget allocation for this body; it will be self-supporting through the product of its own operations, and that is why it is called an autonomous service. [end recording]

Also approved during the Council of Ministers meeting was a decree maintaining a freeze on medicine prices, and the ministers ordered a revamping of the Energy and Mines Ministry.

[Begin Energy and Mines Minister Erwin Jose Arrieta recording] The purpose of this revamping is to adapt and modernize this ministry in line with the country's current mining and energy situation, so we can have a policy on mining and oil, as well as a large-scale mining activity. For that purpose, the ministry's structure will be appropriate for that challenge. [end recording]

[Pachano] The Council of Ministers also approved a decree reactivating the National Border Council, which will be installed formally on 8 March.

Senate Approves Financial Law in First Debate

PA0403034994 Caracas EL DIARIO DE CARACAS in Spanish 3 Mar 94 p 22

[Report by Armando J. Pernia]

[Text] Last night in its first debate, the Senate unanimously approved the Emergency Law on the financial system. The Senate Finance Commission, however, is studying a number of modifications to the bill to eliminate several unconstitutional angles. According to Senator Haydee Castillo, modifications will be to made to Article 5 because the [General Bank] Superintendency cannot prohibit the transfer of properties, instead it must ask a judge to prohibit it. There will also be changes to Article 8 so the assistance preferential rates principle, strongly opposed by Radical Cause and MAS [Movement toward Socialism], can be established.

The Senate also proposed extending the deadline for the delivery of Central Bank of Venezuela credits and Deposit Guarantee Fund assistance to financial institutions to three years. The other modification would require bank directors as well as auditors in any financial organization to present a sworn statement of their assets.

Senator Orlando Fernandez announced that the accounting subcommission had agreed to summon all Banco Latino directors since 1992 for questioning. They have already scheduled Ricardo Cisneros, Giacomo Leon, and Fernando Laurio to appear at noon next Tuesday. Apparently, Leon and Cisneros are in Venezuela but Lauria is abroad. Parliamentary sources, however, emphasized that the possibility of Cisneros or Leon attending the meeting are very slim. Haydee Castillo said the parliamentary summons will be sent out this week.

MAS Senator Orlando Fernandez reported that financial sectors are exerting pressure to see that the freedom on bail benefit and the compulsory sworn assets statements are eliminated from the law, on the argument they are "unconstitutional." Furthermore, Senator Jose Lira claimed the Italo Bank is about to "get its hands on" the Sociedad Financiera Latino through a stock transfer operation. According to Fernandez, the alleged embezzlement of Banco Latino trust funds amounts to 30 billion bolivares.

Senator on Commercial Banks' Financial Problems

PA0203181194 Caracas REPORTE DE LA ECONOMIA in Spanish 28 Feb 94 p 21

[Report by Niurka Franco]

[Text] The financial crisis Venezuela is experiencing, which has worsened with the recent government intervention of Banco Latino, has resulted from various factors, among the most noteworthy of which are commercial banks' unproductive assets, which are somewhere on the order of 251 billion bolivares and represent 180 percent of commercial banks' net worth of 136 billion bolivares.

Judging by a careful analysis by Senator Alberto Lizardi, former president of the Federation of Venezuelan Public Accountant Associations [Federacion de Colegios de Contadores Publicos de Venezuela] and president of the Iberoamerican Confederation of Public Accountants, 66 percent of the country's commercial banks are facing serious financial and economic problems. It is a situation that, in his opinion, merits an exhaustive government study by Congress, depositors, and even the General Bank Superintendency, which, in his opinion, is overlooking its real duties.

"The General Bank Superintendency has become a conceptual organization that does not supervise, make recommendations, or intervene in any institution until it collapses."

Lizardi has said the 251 billion bolivares of unproductive assets are costing the financial sector 150 billion bolivares, and they have become a decisive factor in preventing commercial banks from providing benefits. After reading a bulletin issued by the General Bank Superintendency in September 1993, I am convinced, Lizardi has said, neither the government, state, General Bank Superintendency nor Central Bank of Venezuela are aware of the scope of the crisis, because a parallel banking system is in operation and the Venezuelan authorities are looking the other way. This parallel system has between 500 and 800 billion bolivares at its receiving offices [mesas de dinero], and no one knows where those resources from the general public, industrial organizations, merchants and small depositors are invested.

The bank superintendent confirmed this fact when he said he will begin to receive information on this in May.

Lizardi has said it is incredible banks do not publish their consolidated balances and the financial statements that reflect the operations of their main headquarters and branches, thereby keeping the public abreast of the operations conducted by the entire economic group and its real situation, including its offices abroad.

In the specific case of receiving office operations, Lizardi says a failure to enter such operations as well as "offshore" [previous word in English] deals has led to the evasion of income taxes on an interest differential of approximately six points for funds invested and funds received.

Invested funds amounted to 68.83 percent and received funds to 62.31 percent on 31 December 1993.

According to the Lizardi report, the state loses approximately 6.492 billion bolivares in income taxes yearly. It lost this much from receiving office operations last year alone." [no opening quotation mark as published]

Asked about the emergency law undergoing debate in Congress, Lizardi has said even though it is an important tool it will not resolve the crisis of the financial sector, which can only be resolved by applying true regulatory mechanisms.

"We must begin regulating banks; there must be an effective superintendency, and independent bank auditors must be replaced every two (?years) [periodos], not every 14 as in the Banco Latino case. Regulations such as these were implemented in the United States when several savings and loan institutions collectively went bankrupt; it is a means of conducting a purge."

Lizardi takes a positive view of a joint effort in which the executive and legislative branches, General Bank Superintendency and all the sectors involved will work together to achieve permanent and not temporary solutions.

Official Cited on Economic Guarantees, Urges Support

PA0203222094 Caracas ECONOMIA HOY in Spanish 28 Feb 94 p 3

[Text] According to government sources, the existence of the price control decree, which expires on 28 February, and the inclusion of new products on the basic staple list are some of the measures the government will implement within the framework of the suspension of economic guarantees established in Article 96 of the Constitution.

Meanwhile Fernando Egana, deputy minister of the secretariat of the presidency, said "the government hopes the local community's many sectors and especially the business sector will exercise common sense and a sense of responsibility and support the measure implemented by the government, which is aimed at inspiring greater security and confidence in the country's economic recovery."

The deputy minister added that the decision to suspend economic guarantees is not "one of ideology but of practicality, given the serious economic and financial circumstances the country is experiencing. It is the Executive Branch's duty to deal with the situation and to take safe and prompt action."

The business sector's negative reaction contrasts with the reaction of the consumers because, according to the government spokesman, "the measure has been very well received by the Venezuelan people in general, who hope the government will act responsibly and look after the people's interests, especially those involving the VAT [Value Added Tax], which is an unfair and regressive tax." This opinion was supported by a poll conducted by the official news agency VENPRES.

Egana likewise denied that foreign investors may be affected by the new measures, going on the assumption that to provide security in this area, in the midst of the difficult situation the country is experiencing, "the government must have extraordinary powers."

Regarding the duration of the suspension of economic guarantees, Egana warned that it will be restored "as soon as possible" after economic recovery is achieved. Meanwhile, President [Caldera] stressed during his speech on the 20th anniversary of the National Experimental University of Tachira, that the government will send to Congress a tax reform bill whereby the VAT will be replaced with a tax on luxury items, income taxes will be increased, and taxes will be imposed on "certain wholesale transactions."

Regarding the financial system's precarious condition, President Caldera has warned that "at present, through the Finance Ministry and other presidency offices, we are maintaining a very fluid relationship with the commissions that are working on the subject so that the situation created by the Banco Latino crisis and the threats on the financial system may be resolved harmoniously with the cooperation of various branches of government."